

On stream  
On time  
with Capper-Neill  
On site

# FINANCIAL TIMES

No. 27,708

Tuesday November 7 1978

الاقتصادية

VAUGHAN  
ASSOCIATES LIMITED

For Your More Important  
Machine Tools

VAUGHAN ASSOCIATES LTD. MACHINE TOOL SPECIALISTS  
Vaughan House, 2 South St., London E.C. 4A. Tel. 01-755 6222

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ps 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

## NEWS SUMMARY

### GENERAL

#### 'Death list' woman hunted

Police are hunting a woman who is believed to have compiled a death list containing 30 names. The list was found at the home of a woman who was shot on Sunday.

#### Another secrets charge dropped

Another charge was dropped in the Old Bailey secrets trial, the sixth of the original nine charges to be disposed of since the trial began.

#### 'Massacre' claim

Rhodesia's military command said that 25 black civilians had been massacred in a specified area in the northern war zone.

#### Davies resigns

John Davies, Conservative spokesman on foreign affairs, has resigned as MP for Kilmarnock and Galloway.

#### Bread strike

About 70 per cent of bread supplies will be hit by the bakery workers' strike which began yesterday after receiving union backing.

#### Ryder damages

Lord Ryder, former National Enterprise Board chairman, has accepted libel damages thought to exceed £100,000 over Daily Mail allegations concerning a so-called slush fund operated by British Leyland.

#### Holiday threat

Travel agents meeting on the Costa del Sol have been told that package flights from the UK to Spain next summer may be curtailed unless Britain reconsiders its decision to move Iberia Airlines flights from Heathrow to Gatwick.

#### Probe begins

A judge and two lawyers gathered in Pretoria to begin probing the alleged misuse of public funds in South Africa's most serious political scandal since the National Party came to power 30 years ago.

#### Flats blast

Eight people, including two firemen and a policeman, were taken to hospital after an explosion at a block of flats in Sheffield.

#### Briefly...

Barry Barnes was remanded on bail at Bow Street court, London, accused of stealing £140,000 from the Foreign Office.  
Chinese Vice-Premier Wang Cheng arrived in London with an 18-strong trade mission.  
Three former teachers at London's William Tyndale school lost their appeal against dismissal.  
Princess Alexandra ended a five-day visit to Egypt by opening a razor blade factory at Alexandria.  
Unions representing 5,000 Paris airport workers called for a 24-hour strike starting today.  
ITV said it had won exclusive rights to the Davis Cup final between Britain and the U.S. in Los Angeles next month.

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)		
Treasury Var. 1982-84	102	+5
Allied Retailers	102	+5
Anglo-Transvaal Inds.	112	+7
Barclays Bank	350	+2
Beecham	132	+4
Carley's Ham	106	+3
Carley's (C. T.)	106	+3
La Rue	413	+7
Procomponeers	280	+13
Lucas Inds.	206	+10
Marlin The Newsagent	216	+7
(C. L.)	37	+3
Nihon Group	64	+4

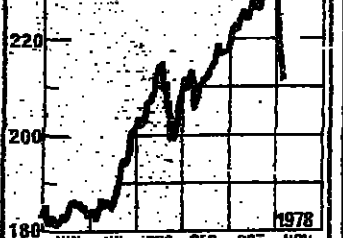
### BUSINESS

#### Equities steadier; Gold falls \$4½

EQUITIES were steadier despite a disappointing level of business - reflecting hopes of a revival of institutional and public buying interest. The FT Industrial Ordinary Share Index closed 3 points up at 475.4.

GILTS eased in small trading, the Government Securities Index closing 0.03 down at 68.55.

GOLD continued to lose ground on the London bullion market to close \$4½ an ounce.



London Gold Price

DOLLAR opened firm but drifted later despite support from the central banks. It showed a gain from Friday's closing levels, its trade-weighted average depreciation narrowing to 9.6 (9.9) per cent.

STERLING closed 60 points down at \$1.9770, a fall of 1.5 pips on initial dollar strength. The pound's trade-weighted index closed at 62.8 (62.9).

WALL STREET was 1.47 down at \$21.64 near the close.

#### Output prices still rising

OUTPUT prices charged by industry at the factory gate are still increasing at a moderate rate. This suggests that some of the higher rises this year have been absorbed by companies at the expense of profit margins.

GOVERNMENT plans to publish a Bill on industrial democracy face renewed attacks from industrialists. The CBI's national conference voiced overwhelming opposition to legislation on any Costa del Sol have been told that package flights from the UK to Spain next summer may be curtailed unless Britain reconsiders its decision to move Iberia Airlines flights from Heathrow to Gatwick.

GOVERNMENT has approved a 22 per cent pay rise for public sector employees, but has reservations about how the scheme should operate.

U.S. banking consortium has agreed on a rescue plan for the Italian chemicals group, Liquichimica, coupled with a moratorium on outstanding debts which could reach £1,000bn (\$1.2bn).

FORMAL contracts have been signed for equipment supplies for the \$8.8bn Brazilian-Paraguayan hydroelectric scheme at Itaipu on the Parana river.

LUCAS Industries made up some ground lost in the U.K. toolroom strike in the second half of the year to July 31, 1978.

BOEING announced a 132 per cent rise in third quarter net earnings to \$92.6m. Page 29

BRITISH Car Auction Group profits for the year ended July 31, 1978 rose 55 per cent to nearly £17.2m. Page 24

## PRESS CENSORSHIP IN IRAN: OILFIELD STRIKES CONTINUE

### Shah appoints general as Premier to quell violence

BY PATRICK COCKBURN

Iran's new military Government, appointed by the Shah to curb weeks of mounting violence and civil unrest aimed at toppling his regime, moved rapidly to restore order yesterday.

As Tehran struggled to recover from its worst day of violence since the crisis began, the 10-man cabinet-headed by the country's Chief of Staff and including seven generals-imposed full Press and television censorship, arrested five editors and instructed the army to enforce martial law strictly.

Against a background of continuing violence and no sign of the strike in the vital oilfields, the Shah abandoned any attempt to form a broadly-based coalition government to include the country's opposition, following the resignation on Sunday of the Cabinet of Mr. Sharif-Emani after only ten weeks in office.

Instead he appointed Gen. Gholamreza Azhari to take charge of a military administration which, he said, would only be temporary.

In a radio broadcast the Shah said "the killings and chaos in many parts of the country reached a stage as to endanger the country's independence."

Once order was restored he guaranteed that free elections would be held.

In a defensive speech to Iran's 34th people, the Shah admitted that "under the name of preventing chaos and unrest there is a possibility that past mistakes of suppression would be repeated" and "under the name of national interests... financial corruption and political corruption may be established."

He has retained five Ministers from Mr. Sharif-Emani's outgoing administration, three of whom are civilians. They include Mr. Amir Khosrow Afshar, Qasbi, the Foreign Minister. His ministerial appointments leave no doubt about the military nature of government in future.

Admiral Kamal Ed-Din Habi bolahi, the naval commander, becomes Minister of Education, Science, Higher Education and Fine Arts, while Gen. Gholam Ali Oveissi, ground forces commander and Tehran martial law governor, takes over the Labour and Social Affairs Ministry.

Gen. Oveissi is known to be close to the Shah to whom he was personal ADC in the early 1960s before becoming head of the gendarmes. He has been commander of the ground forces since 1972.

The new Government was immediately condemned by the Shah's leading opponents. In Paris, Ayatollah Khomeini, the leading religious opponent of the regime, called on the Iranian people to carry on the struggle until the Shah is overthrown.

Dr. Karim Sanjabi, the leader of the main opposition party, the National Front, who is also in Paris, said that the Shah was "more isolated than ever."

In Washington, however, the new Government received cautious approval from the State Department.

In London, Dr. David Owen, the Foreign Secretary, said there was little risk to British nationals following yesterday's burning of the British Embassy.

As communications within the country deteriorate it is not clear how far the military Government can re-establish full control outside the capital.

Other developments, Page 4

Parliament, Page 11

## Oil cutback boosts prices

BY KEVIN DONE, ENERGY CORRESPONDENT

PRICES OF crude oil and oil products have risen substantially on international markets as a result of the severe cutback of production in riot-stricken Iran.

But oil supplies to consuming countries are not seriously threatened yet.

The Secretariat of the 19-nation International Energy Agency considers that oil supplies will have to become much tighter before it could justify putting its emergency oil-sharing programme into operation.

The agency, which was formed in response to the last major disruption to international oil supplies—the 1973 Arab embargo—said yesterday that all member countries had emergency reserves to last at least 70 days.

Member countries have agreed on an emergency programme for

and these can be supplemented by stocks and some alternative supplies from other OPEC countries.

Most companies acknowledge, however, that they are now in increasing competition for any extra supplies that become available.

One oil trader said in London that some parts of the market had gone "hysterical". A premium of about \$1 above the prices set by OPEC was being paid for most crudes from the Gulf.

For much of the past two years oil had been selling at discount prices because of the temporary glut of supplies. Now there was a certain amount of panic in the market, he said.

Prices of Arabian light crude, set officially at \$12.70, have risen to more than \$13.20 and other crude prices have risen by as much as 10 per cent.

They have risen quickly because traders expect a shortage to develop later this year or early 1979.

One oil company said it had reached the stage where the present shortfall in supplies could no longer be made up.

The result is that the spot market for crude oil has reached a level where suppliers have to move more than \$13.20 and other crude prices have risen by as much as 10 per cent.

Some of the production losses could be made up if other OPEC countries eased their output restrictions.

The Japanese Ministry of Energy said that Japan and other oil-consuming countries might ask oil producers such as Saudi Arabia, Kuwait and the United Arab Emirates to increase output if the unrest in Iran was prolonged.

However, the Arab League Department of Petroleum ruled the Entente out of any such agreements yesterday. It had no intention of increasing oil production to make up the shortfall, it said.

The oil companies believe that if Iran's crisis is short-lived, the impact of the cutback in supplies will be very limited. With the cargoes already en route from the Gulf, supplies are secured for three to four weeks.



Arabian Light

## BP and Total end subsidies

British Petroleum and Total

are today ending subsidies for their filling stations, pushing up petrol prices by as much as 5p a gallon. The move, to cut petrol marketing losses, was started by Mobil yesterday.

BP and Total are ending their oil consumption by 7 per cent if oil supplies are reduced by a similar amount. But the agency has not received information from any of its members indicating that supplies have dropped by anything like this amount.

Some oil is still being produced and exported from Iran. Output of the Western oil companies' consortium yesterday was about 1.26m barrels, with exports of 850,000 barrels. This contrasts with production of 5m barrels a day before the strike began a week ago.

Mr. Anthony Wedgwood Benn, UK Energy Secretary, said yesterday that Britain—which has been taking about 16 per cent of its crude oil imports from Iran—had sufficient stocks of crude and refined products to maintain present consumption levels for 72 days.

There is no early threat to the supply of oil needed to keep our economy moving, he said.

However, the Department of Energy is watching carefully the level of crude oil exports from the North Sea. It is maintaining close contact with the oil companies to monitor the success of their attempts to secure additional supplies from sources other than Iran.

The oil companies believe that if Iran's crisis is short-lived, the impact of the cutback in supplies will be very limited. With the cargoes already en route from the Gulf, supplies are secured for three to four weeks.

## Austin-Morris assembly may be halted tonight

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

ALL Austin-Morris car assembly is expected to be at a standstill by tonight, and about 13,000 BL employees to be laid off after the first strike in protest at the company's 5 per cent pay offer.

The walkout by 3,500 workers at the Drevs Lane plant, Birmingham, which supplies steering and suspension parts, has had a rapid impact on production.

From this morning the Maxi, Princess, Mini, Marina and MG sports car lines will be halted. Allegro assembly is expected to stop tonight.

At Ford Motor the company has signalled willingness to modify some conditions attached to its attendance bonus offer, in an effort to end the strike by its 67,000 manual workers.

At BL Mr. Michael Edwards, the chairman, has personally backed the tough management line in negotiations, and warned that "the company will not pay more regardless of how long the employees at Drevs Lane remain on strike."

The company underlined the gravity of the situation last night by recalling that shop stewards had been warned that the consequence of a prolonged dispute could be the loss of up to a further 10,000 jobs.

In a document accompanying the 5 per cent offer unions were told that the position of BL Cars was "critical". Neither Jaguar, Rover-Triumph nor Austin-More were likely to show a profit at the end of the year. Both were supported by the components operation.

A dispute which stopped all BL Cars operations would cause a loss of market share, particularly in vehicles produced by Austin-Morris, and could lose between 7,000 and 10,000 jobs.

Management has made clear to the manual unions that about 7,000 voluntary redundancies will be required before the New Year to finance the programme of pay parity—the same wage for the same job—by November 1979.

White-collar union leaders were told that negotiations must open soon about voluntary redundancies in staff areas.

In response to plant-level claims from manual workers for pay increases of well over 30 per cent from the start of this month, the company says that 5 per cent is the most it can afford. Such an award has been made conditional on acceptance of redundancies involved in the parity programme.

Plants affected by the Drevs Lane strike are:

- Cowley, Marina, Maxi and Princess production halted from today, with more than 2,000 assembly workers and 750 body plant employees laid off, and 1,000 paint and trim operators expected to be idle by tonight.
- Abingdon, MG assembly stops and 800 laid off.
- Longbridge, Mini halted, with more than 3,000 idle. Allegro expected to stop tonight, with 4,500 more laid off.
- Jaguar-Rover-Triumph takes few components from Drevs Lane and will feel little effect.

Continued on Back Page

## Peat faces further £8m claim

BY MICHAEL LAFFERTY

PEAT MARWICK MITCHELL, the international accounting concern, is to face additional damages claims of the order of £8m (£8m) in the West German courts in connection with the collapse of Bieberhaus the Frankfurt department store in 1976.

That was confirmed yesterday by UDS, the UK department store chain with a 50 per cent-owned associate, Möbel Hubner, which acquired Bieberhaus in 1975.

It follows the German Appeal Court's dismissal of Peat Marwick's appeal against a DM 5m (£1.3m) damages award in the same case.

The significance of the Appeal Court's decision is, however, still in dispute between Peat Marwick and UDS. Peat Marwick said yesterday it is to seek leave to appeal to the German Supreme Court over the Appeal Court award. The request will probably be filed today.

The dispute concerns the Appeal Court's confirmation of a lower court's DM5m damages award and whether it took account of the total Möbel Hubner losses at Bieberhaus.

According to UDS, the action against Peat Marwick is in three sections:

- Compensation for the DM5m cost of the Bieberhaus shares.
- Damages for failing to report pre-acquisition losses.
- Compensation for subsequent trading losses until Bieberhaus was closed down.

UDS said that the only action it had taken so far concerns the first item. Now that Peat Marwick's appeal against the court's award in that claim has been dismissed, UDS has decided to press ahead with its other claims.

Continued on Back Page

## Midland may extend evening opening

By Michael Blanden and Nick Garnes

MIDLAND BANK is to open 20 of its High Street branches to special shopping evenings in the New Year for a six-month trial. If the experiment succeeds, it will be extended to a total of 400-500 branches.

The bank also announced plans yesterday to explore with its staff the possibility of providing a limited Saturday morning service at its three recently-opened area offices at Newcastle, Weymouth, and Southampton.

The moves follow the Prime Minister's recommendation in April that the banks should try to achieve greater flexibility in opening hours.

Barclays has already announced Saturday opening at a special case, at its Brent Cross shopping centre branch, in North London, and for several bureaux de change, and is planning to experiment with more flexible hours at a number of other branches.

Other big banks are also believed to be studying the possibilities, and National Westminster is setting up a joint working party.

Midland said its staff and unions had been advised of the bank's plans. During the next few weeks, the bank would hold meetings with them to discuss implementation of the experiment.

At present the bank has evening opening at about 200 of its 1,500 offices, remaining from the earlier arrangements introduced after Saturday opening was ended in 1969.

Midland announced that the selected 20 branches will open on Fridays, or other local shopping evenings, between 5 pm and 7 pm.

They will provide a service for personal and potential customers to open accounts, withdraw cash, arrange personal loans, obtain foreign exchange and travellers' cheques and make inquiries. Cash withdrawals will be allowed against a cheque card or Access credit card or by prior arrangement.

However, the branches will not offer a service for commercial customers, except in an emergency.

The bank said: "If a commercially justifiable demand is evident, it is the intention to extend opening to 400 to 500 branches and to cancel all other existing evening opening arrangements."

The National Union of Bank Employees is generally opposed to evening opening and has been concerned that more banks might promise similar pilot schemes.

Continued on Back Page

## Regardez l'Est



Look east. To the world's fastest-growing markets. To the oil producers of the Middle East.

Air France gives you up to 61 flights a week to 14 important destinations: Abu Dhabi, Amman, Baghdad, Beirut, Cairo, Damascus, Doha, Dhaka, Dubai, Jeddah, Karachi, Kuwait, Sharjah and Tehran.

You fly from Paris, Charles de Gaulle—the world's most up-to-date airport. There are excellent connections from London and Manchester.

Fly Air France and you'll fly in style and comfort. On most of these routes we give you the peace and quiet of wide-bodied aircraft. And if you're travelling to Baghdad, Beirut, Cairo, Damascus or Jeddah, you'll have the pleasure of the incomparable Airbus.

Next time you look east, look no further than Air France. Our flights and timetables are tailored to your business needs.

Ask your Travel Agent or Air France for further details.

AIR FRANCE

The best of France to all the world.

### CONTENTS OF TODAY'S ISSUE

European news	2.3	Technical page	14	International companies	29-32
Overseas news	4	Management page	13	Euromarkets	29, 32
American news	4	Arts page	21	Money and exchanges	33
World trade news	6	Leader page	22	World markets	36
Home news—general	7.8	UK companies	24-27	Farming, raw materials	37
—labour	9	Mining	26	UK stock market	38
Parliament	11				

### FEATURES

U.S. mining's search for a healthier environment	22	Latin America's hydroelectric giant	6	Foreign investment in Brazil: courting Europe and Japan	31
Remoulding of the plastics industry	23	Wine: Pinning down the wayward claret	12	Record grain crop helps Kremlin planners	37
United Arab Emirates: Central bank thirsty for money	3	How Puch took the lead in U.S. moped race	13		
		U.S. metals industry: Brighter than forecast	29		

Appointments	38	European options	36	Share information	40, 41	Futures	27
Appointments Advs.	38	FT Actuarial Index	38	Today's Events	23	Electra	26
Basic Lending Rate	36	Letters	27	TV and Radio	12	ANNUAL STATEMENTS	25
Business Days	39	Law	27	Unit Trusts	25	Consolidated Financials	25
Contracts	39	Lombard	12	World Value of £	33	Ramair Textiles	27
Crossword	12	Men and Makers	22	INTERIM STATEMENTS	25	Rand Mines	25
Entertainment Guide	12	Racing	22	Philip Hill Inv.	28		

For latest Share Index 'phone 01-246 8066



## EUROPEAN NEWS

## Greek bid for shorter farm price transition

By Giles Merritt

BRUSSELS, Nov. 6. MR. GEORGE RALLIS, the Greek Foreign Minister, today emphasised — after the latest round of talks on Greek accession to the EEC — that the Athens Government still seeks to pare down the length of time during which Greek farm products would be subject to a transitional pricing structure.

Although this morning's Ministerial session was not devoted to agricultural topics, Mr. Rallis indicated afterwards that Greece is pushing for the transitional period during which its produce would not yet have been brought up to EEC price levels to be reduced to less than the 5-year minimum recently recommended by the Brussels Commission.

## U.S., Turkey arms talks

ANKARA, Nov. 6. A FOUR-MAN team from the U.S. Defence Department started talks with Turkish officials today on possibilities of Turkish-American co-operation in arms manufacture.

A Turkish Foreign Ministry announcement defined the talks as "initial contact in an effort to base defence relations between the two countries on sounder principles."

Officials said the talks will be "exploratory," with neither side expected to undertake contractual obligations at this stage.

Turkish representatives from the Foreign, Defence and Industry Ministries, the State Planning Organisation and the General Staff took part in the discussions.

The American group is scheduled to visit Turkish installations in Ankara and Istanbul where small arms and other defence equipment are manufactured.

Lucy Benson, U.S. Under-Secretary of State for Security Assistance, is expected here tomorrow for separate talks.

## AFTER THE AUSTRIAN NUCLEAR REFERENDUM

## Major energy and economic problems ahead

BY PAUL LENDVAY

THE DEFEAT of the Government in yesterday's nuclear referendum in Austria is bound to produce major economic, financial and balance of payments problems for the landlocked country and the consequences will also affect neighbouring countries and Poland.

Faced with a dramatically widening gap between rising domestic demand and dwindling resources, the "No" to the commissioning of the completed nuclear power plant at Zwentendorf will lead to a much greater dependence by Austria on imports.

It was the gradual exhaustion of primary energy supplies from domestic sources and the growing strain on the external payment balance which induced the previous People's Party government and later Dr. Kreisky's Socialist cabinet to give the go-ahead for the construction of nuclear power plants.

The operating company was set up in February 1970 by the Verbundgesellschaft, the state regional utility companies. The decision to build a nuclear plant with 700 MW capacity at Zwentendorf on the Danube (some 25 miles north-west of Vienna) was taken a year later. Construction began in 1972 and the plant was completed this year at a total investment cost of Sch 5bn (approximately £280m).

The Government's original energy programme provided in September 1976 for the construction of three nuclear plants with an aggregate capacity of 3,300

MW by 1990. However, the nuclear controversy has not only held up the commissioning of Zwentendorf but also forced the Government to shelve other nuclear projects.

What will now happen to the Zwentendorf plant? A cynic would say that Austria already has a famous watch museum in Vienna and that it will now also operate a nuclear museum. But no one knows the answer to the question. Both Chancellor Kreisky and the Minister of Trade and Energy, Dr. Josef Starbacher, have said that the Government will respect the result of the referendum and that the plant will not go on stream.

Dr. Kreisky speculated today that a new law would have to be passed by Parliament about the commissioning of the plant and that this in turn would have to be submitted in another referendum. For the time being, however, the state electricity companies in the provinces will receive no power from the plant.

At the height of the referendum campaign the People's Party leader, Dr. Josef Taus, raised the possibility of converting the nuclear plant into a conventional thermal power plant. Dr. Starbacher, however, retorted that such a conversion would cost the enormous sum of Sch 6bn and that such generation of power would cost 40 to 110 per cent more than by nuclear means.

There are other adverse consequences of putting the Zwentendorf plant into mothballs.

According to Dr. Wilhelm Frank, who runs the energy department at the Ministry of Trade, Austria would have to spend at current prices, Sch 1,35bn per annum on the crude oil imports and Sch 1,35bn on coal imports in order to produce the same amount of power that the Zwentendorf plant would have generated. In contrast, the nuclear fuel would cost merely Sch 250m yearly. And as the fossil fuels would have to be imported, there would be a foreign exchange burden of an additional Sch 1bn per annum.

The latest energy projection up to 1990, compiled by the Institute for Economic Research, estimates that the share of imports in terms of domestic gross energy consumption will rise from 64.3 per cent last year to 68.1 per cent in 1979 to 80 per cent by the end of the 1980s. Assuming an average 3.5 per cent growth of the GNP per annum between 1977-90 energy consumption between 1973-1985 is estimated to rise by 3.7 per cent per annum.

Assuming that one nuclear plant was in operation, the forecast reckoned that nuclear energy would account for 3.7 per cent of domestic energy consumption by 1980 and for 3.2 per cent by 1990. The Institute reckons that if no nuclear plant were in operation by 1980, the country would need 3.9m tons of brown coal or 2m tons of hard coal or 1.1bn cubic metres of natural gas or 1m tons of fuel oil to make up for the missing 4,200 GWh of electrical energy.



Dr. Bruno Kreisky

However, the energy report made it clear that the growing demand could in practice be satisfied by fuel oil.

Meanwhile the changes in the primary energy consumption during the past two decades have already reflected the shift from solid to liquid fuels and the growing reliance on imports. Thus between 1960 and 1977 (calculated in 1,000 tons of hard coal equivalent) consumption of coal dropped from 7.6m tons to 4.8m tons, but that of crude oil showed an almost fourfold rise

to 15.7m tons and of natural gas three and a half times to 5.9m tons, while hydroelectricity output doubled to 3.5m tons.

In terms of relative shares, hard coal in 1977 accounted for 10.8 per cent, soft coal for 5.3 per cent and hydroelectricity for 11.2 per cent of gross domestic consumption. But oil had a share of 52.5 per cent and natural gas 19.9 per cent.

It is now reckoned that if no nuclear plant is in operation by 1990, the share of oil would rise to 57 per cent. It is true that Austria is one of the few European countries with domestic oil output. But production is falling (between 1975 and 1977 from 2,04m tons to 1,78m tons) while imported crude (primarily from Iraq, Libya and the Soviet Union) totalled respectively nearly 13m tons.

As Chancellor Kreisky put it today, the output of Zwentendorf alone would have been the equal of Austria's total known reserves of crude, amounting to some 30m tons. Natural gas deposits are estimated to be only 22bn cubic metres and by 1985 the relationship between domestic output and import will be 1:1bn by 7.2 per cent volume and by 1.7 per cent in value.

Another important consideration is growing dependence on imports from the Communist bloc, which (excluding Yugoslavia) last year accounted for 48.4 per cent of the aggregate energy imports: in detail for 30.9 per cent of the coal, 25.3 per cent of electricity, 25 per cent of crude oil and 99.3 per cent of natural gas imported by Austria.

What an Austrian daily newspaper today called "the political earthquake" is bound to give an impulse to co-operative projects, already under discussion with Poland and Hungary, electricity from Poland, via Czechoslovakia, and the building of a coal pipeline from Poland to Linz (where Austria's largest steel plant of Voest is situated) with a capacity of 5m tons per annum is under consideration. The costs of the joint exploitation of large lignite deposits on the Hungarian side of the Austro-Hungarian border, the construction of a thermal power plant on the Austrian side, with a final capacity of 1,200 MW, could reach about Sch 10bn within a period of 10 years.

In short, economic and energy experts take a distinctly pessimistic view of Austria's future. Term energy problems after the "no" vote on the Zwentendorf plant. But the real price will Sch 24.8bn, but in the first half have to be paid in the mid-1980s. In this year imports rose again and it is quietly hoped that — by then — the popular mood may have changed once again.

## Spanish actor on 'insult' charge

By David Gardner

MADRID, Nov. 6. SR JOSE RAMON SAGASETA, a young Basque actor, is due to be court-martialled tomorrow in Vitoria, in a case which will fuel an already tense and violent atmosphere in the Basque country. Sr Sagasetta is accused of insulting the national flag, an offence under Article 316 of the code of military justice. The prosecution is seeking a two year jail term.

Sr Sagasetta belongs to the "Lagunak" theatre group, which last January put on a play satirising the Mouchois pact between the Government and Opposition. Sr Sagasetta played the part of a television announcer, who at a certain point in the action, wipes his forehead with the national flag. He was arrested immediately after the performance.

This is the second time this year that actors have fallen foul of the military. In March, four members of a Catalan mime group were jailed for two years following a court-martial for alleged insult to the armed forces.

In Sr Sagasetta's case, the military has refused to consider postponement of the trial until next month. This is crucial to the outcome, since the new constitution, due to be ratified by referendum on December 6, makes military justice applicable only to the armed forces.

The Sagasetta case has now become associated with the potentially far more explosive court-martial pending against Sr Mario Onalanda, Secretary General of ETA (Party for the Basque Revolution).

He now leads the main radical nationalist party, which won two seats in last year's general elections. The military prosecutor is asking for a three year jail term, because Sr Onalanda inserted a notice in the Basque press in memory of the two ETA militants executed by firing squad in September 1975. The memorial was to "two anti-fascists murdered by the police," and the alleged offence was to the civil guards who made up the firing squad.

Observers in the Basque country believe that Sr Onalanda's case cannot be heard until after the constitution comes into force. This should mean automatic withdrawal of the charges, and would therefore remove what would otherwise become a major focus of civil disturbance in the region.

## Andreotti in union talks

BY RUPERT CORNWELL

ROME, Nov. 6.

AGAINST A background of 1979-81 economic recovery plan spreading strikes, Prime Minister of the Government, of which Giulio Andreotti tonight began talks with Italian union leaders aimed at averting a breakdown of his efforts to hold the line on pay rises in the public sector this winter.

The immediate task for the Premier, armed with last week's Parliamentary backing for his stand on the continuing hospital dispute, is to secure enough agreement with the major organised unions to ward off a threatened one-day official strike in the entire public sector this Friday.

In effect, though, what is at stake are the prospects for genuine wage moderation in the three-year wage contracts now coming up for renegotiation. These coincide exactly with the

comes on Wednesday over proposals in do away with the medieval *mezzadria* system of the farming, already approved by the Senate.

Communists and Socialist are adamant that this reform promised for decades but never implemented, should go through unamended as part of the overall agreement between the parties on a joint programme of Government.

This line has been broadly endorsed by Sig. Andreotti himself. But some Right-wing elements in his ruling Christian Democratic party may rebel on the grounds that the proposals were unconstitutional and would be unfair to those landowners who had invested heavily to increase the efficiency of their holdings.

## Liberals gain support in Swedish poll

By William Duffell

STOCKHOLM, Nov. 6.

THE FIRST opinion poll to be published after the change of regime in Sweden shows a significant increase in support for the small Liberal Party, which now forms the minority Government. It also represents a setback for the opposition Social Democrats, who opened the way for Mr. Ola Ullsten, the Liberal leader, to become Prime Minister by abstaining from voting against him in Parliament.

The Liberals have climbed 3 per cent in public esteem to 14 per cent, their highest rating since 1972.

## French lorry drivers strike as seamen's dispute ends

BY DAVID WHITE

PARIS, Nov. 6.

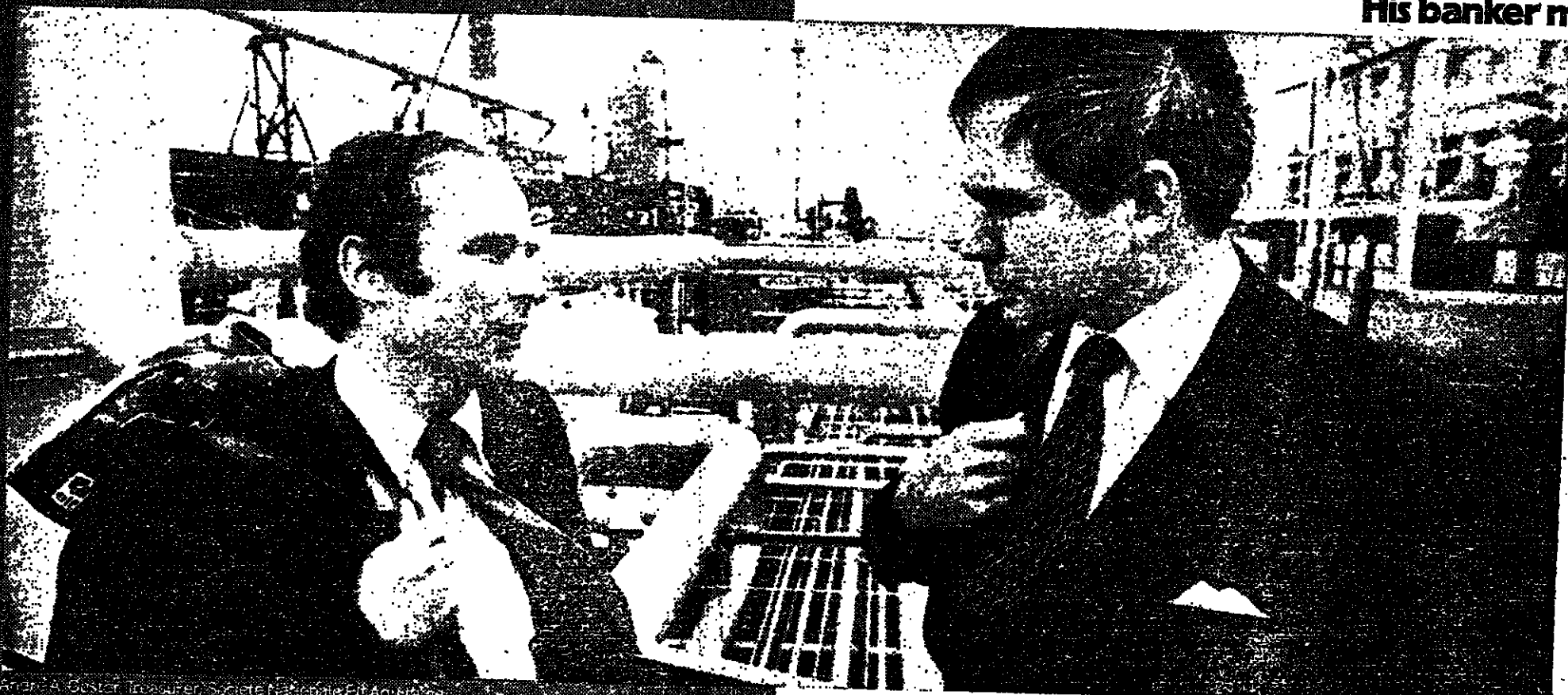
STRIKING FRENCH seamen and train drivers went back to work today, but the relay baton in the recent series of transport stoppages was taken up by lorry drivers, who began a protest movement for better hours and conditions by blocking main roads with their vehicles.

French sea ports struggled back to normal following an armistice in the three-week-old dispute over the hiring of Asian labour at cheaper rates than the minimum offered to French mercantile seamen.

The provisional truce lifts for the time being any threat of refineries running short of crude oil or of industrial workers being laid off because of raw material shortages.

Extra services today were vessels.

To manage the financial resources of one of Europe's largest oil producers, a man must be farsighted and decisive.



Edward A. O'Neal, Vice President and General Manager, Chemical Bank, France. Photographed at Elf Aquitaine's facilities in Lacq, France.

André A. Gester is treasurer of Société Nationale Elf Aquitaine, one of Europe's largest petroleum companies. It is his responsibility to meet the challenge of financing the development of his company's vast oil and gas reserves. For a major producer like Elf Aquitaine, this development is very costly — running into billions of dollars.

To turn a search for energy into reality takes a lot of cooperation with other petroleum companies and capital from many international banks. Over the past three years, André Gester has turned to bankers he can rely on.

Bankers like those at Chemical Bank — the sixth largest U.S. bank. The reason Elf has turned to Chemical Bank is bankers like Edward A. O'Neal

of Chemical Bank's Paris office. O'Neal has made it his business to understand the business of Elf Aquitaine. Working closely with the head of Chemical's Petroleum and Minerals group — Europe, he has been able to deliver the kind of financial help Elf needs — wherever Elf needs it.

"Chemical Bankers know what we mean when we say 200,000 barrels a day," Mr. Gester says. "And they know that a balance sheet can't show reserves. But their engineers can evaluate those reserves. O'Neal and the Chemical Bank team can instantly see where our future lies."

Now that Elf Aquitaine has moved into big ventures in the North Sea oil and gas fields, O'Neal together with his team of experts, is there with

realistic and timely financial solutions. André Gester sums it up well. "We need a lot of money. And we can get a lot of money. But the important thing is that we get fast decisions." Rapid, professional solutions are what André Gester has come to depend upon. He knows he has bankers with financial expertise who are farsighted and responsive to his company's needs.

While theirs is a professional relationship, André Gester and Ed O'Neal tell you that it is also personal and rewarding. That's what usually happens when corporate officers get together with Chemical Bankers.

And what results is bottom line benefits for both the company and the bank.

The difference in money is people. **CHEMICAL BANK**

Chemical Bank House, 180 Strand, London WC2R 1ET Tel: 379-7474 Representative Offices: Scottish Provident House, 1-2 Waterloo Street, Birmingham; Charlotte House, 37 Charlotte Square, Edinburgh; Main office, New York N.Y. 10038; Abouin Bahrani Street, Birmingham; Bogota; Brussels; Buenos Aires; Cairo; Caracas; Channel Islands; Chicago; Dubai; Edinburgh; Frankfurt; Hong Kong; Houston; India; Japan; London; Madrid; Manila; Mexico City; Milan; Monaco; Nassau; Paris; Rio de Janeiro; Rome; San Francisco; Sao Paulo; Seoul; Singapore; Sydney; Taipei; Tehran; Tokyo; Toronto; Vancouver; Vienna; Zurich.

مكتبة الأصم

Do you  
much  
times



## EUROPEAN NEWS

## BERLIN-HAMBURG ROAD LINK

## Cross-country tie-up

BY LESLIE COLITT IN BERLIN

EAST AND West Germany are on the verge of agreement to build the first new autobahn connecting Berlin and West Germany since the end of the Second World War.

The motorway is to link West Berlin and Hamburg across a 125-mile stretch of East Germany, making it the fourth autobahn between West Germany and Berlin. At its closest to West Germany, at Helmstedt, West Berlin lies 110 miles inside the German Democratic Republic.

From Helmstedt, at the border to West Germany where the East German section of the new autobahn will end, it is only 12 miles to the city limits of Hamburg.

The entire trip from West Berlin to Hamburg is expected to take about two hours, compared with the four hours now endured on the rapid transit road No. 5 that winds its way through scores of East German towns and villages to the border.

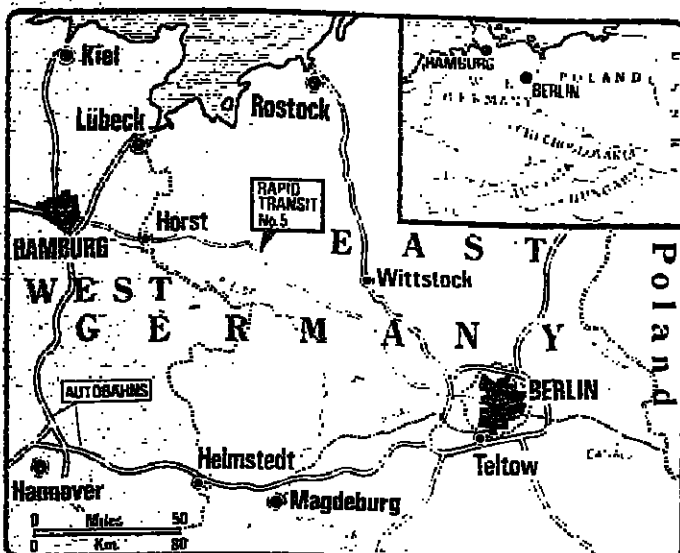
The new highway, which is to be started in 1980, would have been unthinkable before the 1971 four-power agreement on Berlin when the Soviet Union, for the first time, acknowledged West Berlin's manifold ties with West Germany.

The four-power accord is at the heart of this latest package to date of improvements for West Berlin being negotiated by West Germany's Permanent Representative in East Germany, Herr Guenter Gaus and the East German Government.

East Germany has just opened a new stretch of autobahn from East Berlin to Rostock in the north and the autobahn to Hamburg is to branch off from the Berlin-Rostock highway at the town of Wittstock.

West Germany is expected to pay some DM 1,200m for the 75-mile stretch of autobahn that Bonn paid DM 250m plus an annual road toll fee of DM 400m.

West Germany has insisted that the autobahn to Hamburg



ring. East Germany is to contribute 200m marks and will build the road.

The gain for West Berlin, according to Herr Dietrich Stobbe, its governing mayor, is "not just getting another autobahn, but rather in developing Berlin's ties with West Germany."

The considerable expense for West Germany is seen as justifiable, political reasons aside, as the autobahn will reduce the travelling time between West Germany's two largest cities, West Berlin and Hamburg.

Goods traffic between the two cities is largely carried over the Helmsedt-Berlin autobahn as trucks have steered away from the circuitous transit road No. 5.

The highway to Helmstedt itself is in the final stages of construction. East Germany after Bonn paid DM 250m plus an annual road toll fee of DM 400m.

West Germany has insisted that the autobahn to Hamburg

be included under the four-power transit arrangement agreed in 1971 and this is to be the subject of a special exchange of letters between the two Germanys which must be approved by the Western allies.

Travellers on the motorway, just as those on the other autobahns, will not be subject to controls or searches except if East German officials have adequate grounds to believe they have violated the transit regulations.

The fact that East and West German negotiators are instrumental in taking action under the four-power framework marks a subtle change in emphasis. Now it is they who are designating a new transit route and agreeing that it is to come under the four-power arrangement.

They have also decided that the old transit route will be returned to the status of an ordinary East German road.

The Western allies have been kept informed at every stage of

the negotiations by the West Germans as they are the ones who must put their seal of approval on the arrangement. There appears little doubt about this and the deal could be signed by East and West Germany in the very near future. Herr Gaus said after a recent meeting with Herr Kurt Nier, East Germany's Deputy Foreign Minister, that only a "few questions remain open."

The new road is not only important for Berlin and the two Germanys, but will also speed lorry travel between Hamburg and Czechoslovakia and Hungary which transact a considerable amount of their overseas trade through the port of Hamburg.

Another key element in the arrangement is the re-opening of the Teltow Canal which runs through West Berlin and is part of the waterway connecting the Elbe and Oder rivers.

A section of the canal passing through West Berlin was sealed off after the building of the Berlin Wall in 1961 and barges from West Germany, bound for docks in the southern part of West Berlin have to make a 30-mile detour of two days through East Berlin.

The reopening and repair of the canal is expected to cost West Germany about DM 70m.

East Germany is also to dredge and widen the waterway between West Berlin and West Germany which carries 3.5m tonnes of the 14.8m tonnes of goods transported last year between West Berlin and West Germany.

Goods traffic on the waterway between West Berlin and West Germany has risen sharply, in part because of difficulties the East German railways have in providing adequate rail transport for West Berlin. The reopened Teltow Canal is also to be included in the four-power transit agreement, thus ending the existing controls of barges and their personnel.

The two neighbouring German states are also expected to announce that a missing East German link in the autobahn built before the war is to be connected between Bad Homburg in West Germany and Eisenach in East Germany with a modern border control point on the East German side at Wartha. The cost of this project is DM 50m.

One more element in the package is the expected improvement in non-commercial payments between East and West Germany. West Germans have been unable to receive payments from their blocked accounts in East Germany because the annual limit set by East Germany has been exhausted. Now, the amount is to be raised by several hundred million marks.

## OVERSEAS NEWS

## THE UNITED ARAB EMIRATES

## A central bank thirsty for money

BY KATHLEEN BISHTAWI IN DUBAI

JUST 16 months after a banking crisis rocked the economy of the United Arab Emirates, the Currency Board, which functions as the monetary authority and is intended to become a central bank, has issued a bulletin of statistics which show that it is being starved of foreign currency.

This is despite the fact that this oil-rich federation of sheikhdoms is expected to earn about \$7bn this year.

The two major oil producers in the Federation, Abu Dhabi and Dubai, have always preferred to channel their petrodollars through their own emirates' national banks. A number of the rulers fear that to route their income through the central monetary authority will mean forfeiting economic control over their own emirates and their incomes.

Now the inflow of dollars into the Currency Board has dwindled so much that officials and bankers alike are beginning to wonder whether the board has the technical and financial means to exercise any monetary policy at all.

The statistics show that during the months of February, April and May this year, not one of the seven sheikhdoms or the federal government made any foreign currency deposits with the board. Net deposits by the government have gone down from a November, 1977, total of \$78m to only \$3.8m in May this year.

During the last 14 months, the balance sheet of the currency board has been up by 50 per cent from the \$2bn in March, 1977, to \$1.58bn in May, 1978.

On the assets side, foreign exchange and gold holdings have declined from \$1.83bn in March last year to \$700m by the end of the first five months of this year.

Currency Board officials say that there is no reason to fear for the strength of the UAE dirham, as long as realistic lending policies are followed. Coverage for the dirham well exceeds the 70 per cent legal minimum, said an official.

The board's officials are in continuous negotiations with the two major oil producing emirates about the supply of foreign currency. The board wants them to route between 20 and 25 per cent of their dollars from oil through the board. In this way, the board's reserves of foreign currency would be built up.

The board is also looking for sizeable deposits from the emirate governments. "It is accepted around the world by governments that they must deposit a certain amount of their revenues with their central

banking institutions," the Board says.

Pressure is now building up on all the emirates to support the Board, though it is Dubai that has become the focus of the Board's attention. The Emirate is the trading centre of the UAE and as such has a great hunger for dollars to finance its commerce. In the second half of August, for example, the currency Board supplied Dubai with \$180m compared with \$59m for Abu Dhabi, and \$10m for the other emirates.

Earlier this month, the Currency Board was reported to

with the Board itself. Since a Bahraini national, Mr. Abdul Malik el-Hamir took over last year as managing director, the Currency Board's policies have been effectively decided by him and his executives with the help of an adviser seconded from the IMF, Dr. Denis Farnon. Dubai feels however that the old Board of directors should be resurrected so that policy decisions are made with the interests of all emirates at heart. Officials in Dubai believe that the executives should only carry out policy, not make it.

Dubai says that the problems

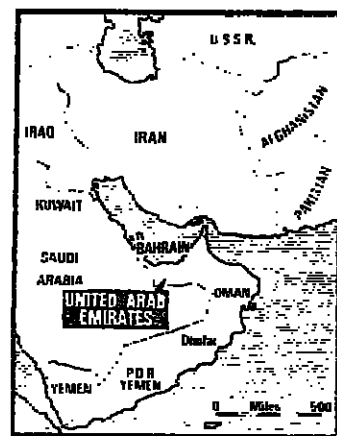
currency supply in the Board is now under negotiation. Dubai Government officials maintain that the emirate is ready to route all the oil money through the Board if the Board feels it would help. Banking sources say that the discussions, which are being conducted with the Dubai ruler, Sheikh Rashid, direct, are proceeding "amicably."

In Abu Dhabi however, the competition for a slice of the emirate's \$6bn projected oil income for this year, can be expected to be fierce. A large measure of the income is channelled through the National Bank of Abu Dhabi, whose \$3bn balance sheet has enabled it to become heavily involved in the Eurodollar market. There are also the needs of the Abu Dhabi Investment Authority and other specialised funds to be looked after.

Although coverage for the

dirham is more than adequate, the nervousness and activity of Bahrain's offshore banking centre will undoubtedly be watched closely by UAE officials. The successful outcome of the talks with the emirates is therefore vital for the continuing stability of the currency.

It is also vital for the Board itself, for these recent developments do not bode well for its hopes of becoming a central bank. A successful conclusion in the talks is necessary also for the still shaky, but growing confidence UAE bankers and business circles have in the nation's economy.



The inflow of dollars into the Currency Board has dwindled so much that bankers are beginning to wonder whether the Board has the means to exercise any monetary policy at all.

## China 'backs Cambodia'

BANGKOK, Nov. 6

CHINESE Communist Party Vice-Chairman Wang Tung-hsing has pledged Peking's support for Cambodia in its border war with Vietnam. Phnom Penh Radio reported.

Speaking just two days after Vietnam and the Soviet Union signed a Friendship and Co-operation treaty in Moscow, Mr. Wang said at a banquet last night: "The Chinese Government and people resolutely support the Kampuchean (Cambodian) people's just struggle in defence of their independence."

The Soviet-Vietnamese treaty included a provision for consultations and "appropriate measures" in the event of either being attacked, a clause diplomatic sources said they regarded aimed at China. The Cambodian Premier, Mr. Pol Pot repeated charges that Vietnam was planning a major attack in the dry season, due to start soon. Hanoi has denied the charges.

Reuters

## Dublin wins French backing over EMS

BY STUART DALBY

DUBLIN, Nov. 6

FRANCE HAS agreed in principle to transfer of ECU had reached agreement on the resources to Ireland to tide it amount now how it would be over a period of transitional assembly.

membership of the European Monetary System (EMS). This 1650m, over and above what it receives from the regional and here between M. René Monory, social funds, as the argument it would need to make the transition to the new monetary system.

The money would be used for infrastructure projects, like roads and telecommunications. Ireland's response to the request for credits in the latter aid joins the EMS, neither he nor M. Dublin has not yet discussed EMS.

the question of a wider margin for its currency, as has Italy. This issue is expected to come up in the course of the next few days, as Dr. Colley continues his talks with European government officials. M. Monory's visit was the first of these contacts. On Thursday, Dr. Colley flies to Bonn for talks about the EMS.

The Irish Minister has been at pains to deny reports that West Germany has offered Ireland an interest-free loan of more than 850m in return for joining the EMS.

# Do you really know how much your total print bill comes to each year?

Have you thought about your printing costs lately? As an expense item in the profit and loss account, it isn't usually the sort of thing that excites your accountant. Or any one else for that matter. Unless you decide to take a closer look.

Consider this. Your organisation depends upon a regular flow of printed information. Everyday items like reports, price lists, letterheads, sales letters and invoices; even labels and instruction manuals. But they could be costing you a small fortune, whether you produce them on your own equipment or buy them from outside suppliers.

In fact, your printing requirements might now have altered so dramatically that time and money are being wasted. Your problem is in pinpointing just where the waste occurs. That's where we come in.

We're Addressograph Multigraph, the leaders in duplicating and printing systems for the business world. Contact us, and with no charge or obligation, we'll conduct a personal survey of your printing needs.

It will give you a commonsense appraisal of the situation with facts and figures showing how things might be improved.

Reading it could prove to be a revelation.

Wouldn't you like to know more? Complete the coupon today or phone us on Hemel Hempstead (0442) 42251 Ext. 96.

**FREE SURVEY!**

FREE PRINTING SURVEY



**ADDRESSOGRAPH MULTIGRAPH**

Addressograph Multigraph Ltd., Marketing Division, Magdalen Avenue, Hemel Hempstead, Herts. HP2 7ET





# AMERICAN NEWS

# Weizman returns to Washington to conclude treaty

The company has sacked the strikers and taken on new staff to replace them. Today's disturbances were caused by a crowd of job-seekers who refused to leave when they were told that vacancies had been filled.

**Martin Dickson** writes: Britain is consulting Canada, the U.S. and Antigua over allegations in the BBC television programme, *Panorama*, that arms produced in North America were shipped to South Africa last year by way of Antigua, for whose foreign affairs Britain is responsible.

## Australia bor

## Pan Am plans \$39 fare from coast-to-coast

Other moderate Republicans in difficult races are Edward Brooke in Massachusetts, Robert Griffin in Michigan, and conceivably Senate minority leader Howard Baker, in Tennessee. He needs a comfortable victory to enhance a national reputation. In Texas, the incumbent, Sen. John Tower, is in a desperately close

mean ferry surfeys, and may now have a slight edge. The Mayor, Frank Rizzo, has proposed reversing the city charter to allow himself to run for a third term the reelection challenge to the right. That may be true, although politicians are quite capable of saying one thing to get elected and another when comfortably ensconced. This is something which the more flexible Democratic Party has long understood far better than its opposi-

Her charges appeared to substantiate the views of Carey's critics and of his Republican opponent, Perry Duryea, that he was the most corrupt politician for the previous three and a half years. Although Carey was not too invisible to be listed by many of the state's prominent Democratic presidential candidates in 1878, the accusations derived more from his detached public manner and lack of close confidants. But the charges did not bring in Carey's olympian style. He won 242,000 votes to Mary Ann Kimpask's ticket in the September primary which was 128,000 short. Carey's winning margin was enough to encourage Long state assembly minority leader and island lobster wholesaler to promise to believe that the governor's personality would be a promising line of attack.

But he emphasised that the projects to be assisted would create jobs as well as helping the balance of payments and adding to exports. All had special significance for development, he said.

Trans-International disclosed that it is to offer a new cut price fare of \$99 one-way between New York and Los Angeles on a weekly flight starting on

# New York

BY JOHN WYLES

Although the pressmen's strike which halted publication on August 9 was tentatively settled last Wednesday, agreements needed with several other unions delayed the newspapers' return. Even on Saturday, the Times seemed threatened by a strike call from the Newspaper Guild, representing journalists and commercial employees but, under pressure from other printing unions, the Guild allowed preparation for

is clearly visible. According to Western intelligence, Ethiopia's 10th Division was airlifted last week from the Ogaden region in the South to the area of the Ogaden. The brigades were moved from positions north of Asmara to the town of Decamhare to the south. The Ethiopian army is expected to attempt to open the mountain

The French Foreign Ministry said it had so far received no request for complaints from the Iranian authorities about the Ayatollah's repeated calls to his followers in Iran to take up arms.

A statement issued here yesterday by Dr. Karim Sanjabi, leader of the opposition National Front Party, rejected the Ayatollah's proposed system. Dr. Sanjabi is expected to meet Ayatollah Khomeini tomorrow. He was due to return to Tehran later in the day but is now expected to prolong his visit to France.

Iran's oil exports to Japan would be about half the oil imports from Iran, which are estimated at 17 per cent of total imports under normal conditions. British Petroleum, which supplies about 8 per cent of Japan's oil imports, notified the authorities last week of a 25 per cent cut in fourth quarter shipments (about 2 per cent of total imports) and said it would be planning similar notices but probably of lesser amounts.

In meetings with Mr. Takeo Fukuda, the Prime Minister, and Mr. Tasaburo Kumagai, director of the Science and Technology Agency, Mr. Schlesinger dic-

## Cautious support for Shah from

Shah noted that the Shah had been told by senior leaders of the opposition to enter into coalition with a regime, but had been refused. She also pointed to the Shah's promise to end military rule and to hold elections next year as planned.

As a further indication of his confidence, the department reported today that its officers in Iran believe the situation has calmed, and that the situation is such that the Shah will be able to return to the country next weekend and was administering 40,000 plus Americans now in Iran.

For the moment, the State Department seems to believe that the present difficulties are "manageable" and that the Shah himself is not "in jeopardy." Perhaps conscious of the serious consequences of a military break with the U.S., it is also making it clear that it continues to support the cause of "liberalization" in Iran—although there is a widespread feeling that the Shah's problems have been recognized, and that the Shah has been removed, such modest reforms as he has made to date, especially in the

Germany, and other Communist countries have treated the riots in Iran with velvet gloves, burying the news deep inside their official newspapers.

The Kremlin's hesitation to open a public debate with its opponents of the pro-Western Shah has apparently stemmed from uneasiness about the consequences of an unstable regime on its southern flank.

In contrast, Western diplomats said the Soviet Union, which has strengthened its influence in the area following pro-Moscow coup in Afghanistan, would probably prefer to maintain stable ties with the Shah to avert the risk of the danger of a Right-wing military regime emerging.

Today's Pravda report with its references to "blood events" and sympathy for the demonstrators, may signal that the Kremlin is reassessing the Shah's chances of survival and preparing the ground for his

They are designed to boost Iranian capacity to sell refined products instead of just crude. The project began ten years ago, but the oil and gas investors are unwilling to admit that getting involved may have been a mistake. The joint venture is made up of Mitsui, Mitsui Toatsu Chemicals, Mitsui Petrochemical, Toyo Soda and Japan Synthetic Rubber Co. Japan alone holds 45 per cent share, and the National Petrochemical Company of Iran on the other.

Although Mitsui is clearly worried about possible developments in Iran, it is hard to determine just how much of the Iranian complex would become in the worst of all possible cases, such as seizure.

The financing of the project involves a complex package of government risk investment insurance in case of loss or cancellation of insurance on repayment of credits. It calls up about 80 per cent of losses could be covered by such agreements.



مكتبة المجلد





## Your NatWest bank manager will introduce you to some 20th century administration methods.

Business administration can be a thankless task. But surprisingly there is one person who is only too willing to take the administrative burden off your back. He's your local NatWest bank manager. It's his personal contacts at Centre-file and Eurocom Data that are so useful.

Centre-file are computer experts. Among a wide range of computer services, they offer a first-class payroll service. And Eurocom Data

can reduce expensive paper usage by storing information on microfiche. People are finding that both these services save on costs.

If your business could do with a little reprogramming, go and see your local NatWest bank manager.

He'll be delighted to help.

**Just ask him.**









## Ryder accepts 'impressive' Mail damages

BY MAURICE SAMUELSON

LORD RYDER of Eaton Hastings, former chairman of the National Enterprise Board, has accepted the damages in settlement of his High Court libel action over the "shush fund" articles in the Daily Mail, which alleged that he had been "deceived into paying bribes to promote sales."

The damages, described as "impressive" by Mr. Robert Alexander, QC, Lord Ryder's counsel, are thought to exceed £100,000 and to be a record in a British defamation case.

A trust is to be established to make annual payments to charity out of the income from the damages. The beneficiaries will be causes close to the hearts of Lord and Lady Ryder and will include well-known national charities.

The articles at the centre of the libel action appeared in the Daily Mail of May 19 and 20, 1977. They incorporated a letter, alleged to have been written by Lord Ryder, that proved to be a forgery.

They alleged that Leyland paid bribes to further sales and that those were sanctioned by Lord Ryder, then chairman of the Enterprise Board.

Mr. Alexander told Mr. Justice O'Connor in an agreed statement yesterday that an additional editorial in the Daily Mail was "one of the most savage criticisms of a man in public life summing up an episode in the history of a British newspaper."

Lord Rawlinson, QC, counsel for Associated Newspapers and Mr. David English, editor of the Daily Mail, said that they unreservedly withdrew the allegations and apologized to Lord Ryder for the libels, which they had been "deceived into publishing."

The Daily Mail had decided to publish the articles, and particularly the text of the forged letter, in the firm belief that the letter was genuine.

Neither Lord Ryder nor Mr. English was in court for yesterday's brief hearing.

In August Mr. Graham Barton, aged 55, a former Leyland financial executive, was jailed for two years after being convicted of forging what purported to be a letter from Lord Ryder to Mr. Alex Park, then BL's chief executive.

He was also found guilty of forging a letter from the Bank of England to Leyland and of dishonestly obtaining £15,000 from the Daily Mail.

The damages to Lord Ryder include general and aggravated damages, costs and other expenses.

In 1961, a court awarded £117,000 against Associated Newspapers for an article in the Daily Mail of December 23, 1958. Uneditorial in the Daily Mail was "one of the most savage criticisms of a man in public life summing up an episode in the history of a British newspaper."

## Japanese van imports worry car makers

By Kenneth Gooding, Motor Industry Correspondent

CONCERN about the steep increase in sales of light commercial vehicles from Japan was expressed by members of the Society of Motor Manufacturers and Traders during talks with representatives of the Japanese Automobile Manufacturers' Association, which began yesterday.

As the voluntary restrictions on cars began to bite this year, sales of light commercials have shot ahead, and registered an 85 per cent increase in the first nine months compared with the same period last year.

They have an 11 per cent market share against 7.1 per cent a year ago.

In broad terms, the team from the society, headed by Sir Barrie Heath, its president, has insisted that the industry is still in no shape to cope with the brunt of an uncontrolled Japanese attack, and needs more breathing space.

Unless there is voluntary restraint by the Japanese there could be retaliatory action of some sort, the British manufacturers said.

The Japanese delegation of three, led by Mr. Eiji Toyoda, president of Toyota and also of the association, will not be keen to give away much in terms of shipment restrictions or undertakings about market shares in the UK.

The Japanese car industry faces problems in other markets, and particularly in the U.S., its biggest export market, because of the rise in the value of the yen.

### Discrimination

The Japanese manufacturers had been given copies of a National Opinion Poll survey conducted on behalf of the Datsun Importers and Dealers, which showed that 53 per cent of those questioned were opposed to further restrictions on sale of Japanese cars in Britain.

More than half—51 per cent—believed it was wrong of the Government to discriminate against import of Japanese cars alone.

Because Sir Barrie, who is chairman of Guest Keen and Nettlefolds, comes from the components sector of the industry, the society invited Mr. David Andrews, deputy chairman of BL, to attend the discussion.

Also in the society team are Mr. John Roswick, the director, and Mr. Hugh Cowdie, economic adviser.

The other members of the Japanese delegation are Mr. Masataka Okuma, chairman of the association's export committee and vice-president of Nissan, maker of Datsun cars, and Mr. Toshio Nakamura, managing director of the association.

The talks continue today.

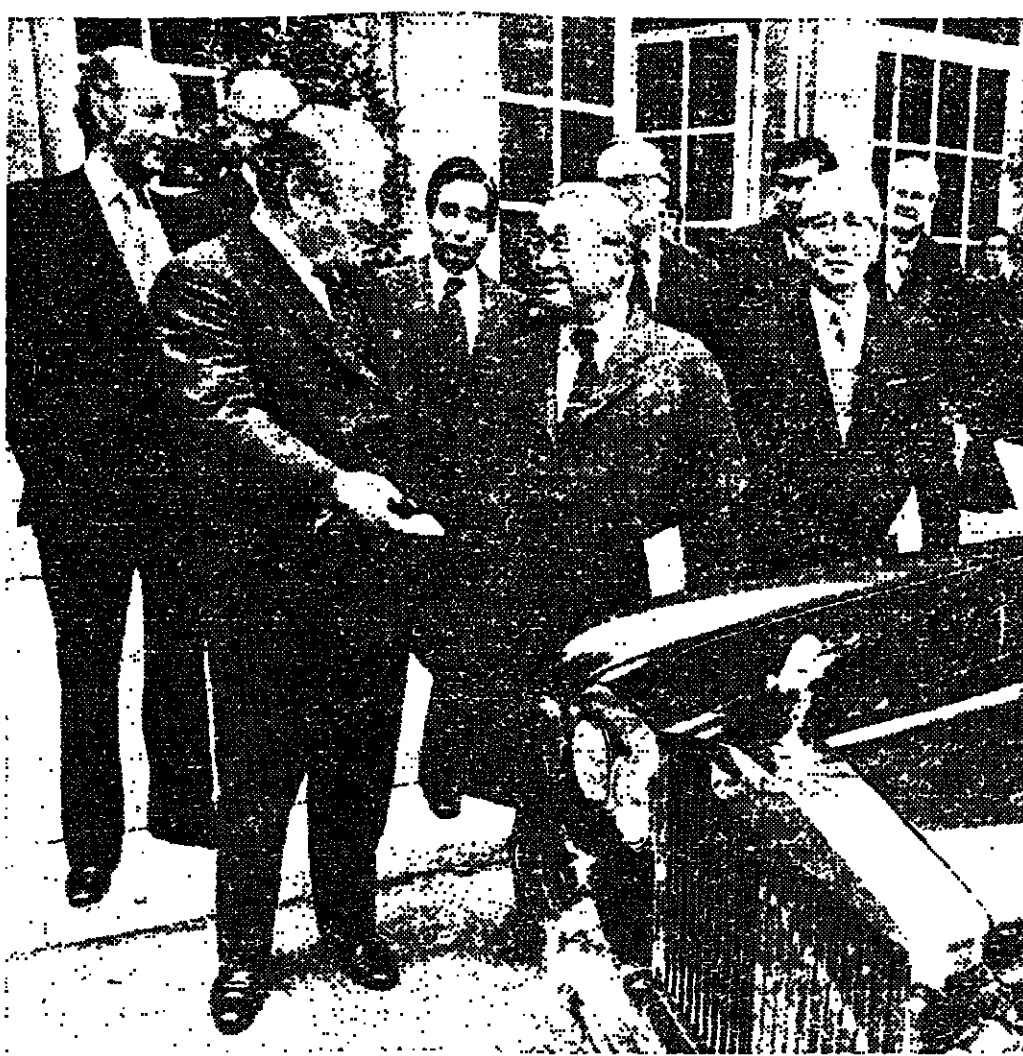
## Council's grant stays says county

TYNE AND WEAR County Council decided last night not to discontinue its yearly grant to North of England Development Council, ending months of speculation.

The decision came after Mrs. Maureen Taylor, Chairman of the development council, accepted new guidelines.

These include confining the organisation's operations to promotion and publicity, and leaving political affairs in the hands of local councils.

Earlier this year, Tyne and Wear's ruling Labour group voted to withdraw its £34,000 a year grant because of dissatisfaction with the council.



Sir Barrie Heath (left foreground) talks to Mr. Toshio Nakamura. Mr. Eiji Toyoda is on Mr. Nakamura's left.

## Inmos 'no rival'—Fairchild

BY JOHN LLOYD

FAIRCHILD, THE U.S. microelectronics company, which will shortly announce a joint venture with General Electric for the production of microprocessors and memory chips, has dismissed Inmos, the £50m company backed by the National Enterprise Board, as a serious competitor.

Mr. Wilfred Corrigan, President of Fairchild, said that the UK "looked very attractive" for the new venture.

But he said that its competition would come from the established U.S. microelectronic companies and from the Japanese. Inmos "does not figure in the ranks of our future competitors."

"It is now very difficult to get started in the semiconductor business. I would be very sceptical about the chances of any new company. The established companies have the expected to employ 1,000 people by 1981."

## The businessman's guide to incentives available in the Areas for Expansion.

## Capital grants

Manufacturers can obtain capital grants of 20% or 22% for new buildings, also for new plant and machinery in many Areas. ☐ Tick here

## Attractive finance

Interest-relief grants, or favourable-term loans. Fixed-interest loans from European Community funds. ☐ Tick here

## Rent-free factories

Up to 2 years rent-free (exceptionally, 5 years). Options to purchase on long lease. Wide range of new factories available. ☐ Tick here

## Rent-free offices

Grants for office rents for up to 7 years. Grants for new jobs created within 5 years. Grants for staff moved. ☐ Tick here

Above is a brief guide to the investment incentives available in the Areas. They apply to companies moving into, or already in, the Areas for Expansion.

Greater benefits are available in Northern Ireland. Are you planning your company's future now?

Before you do anything, it could pay you to get in touch first with your nearest Industrial Expansion Team. Or tick the box(es) above for the information you want and send in the complete coupon.

London tel: 01-211 6486

24-hour answer-service for booklet enquiries only: 01-834 2026

Scotland

Glasgow

Tel: 041-248 2855

Wales

Tel: Cardiff 62131

(STD code 0212)

Northern Region

Tel: Newcastle upon Tyne 24722

(STD code 0632)

North West

Manchester

Tel: 061-236 2171

Liverpool

Tel: 051-236 5756

Yorkshire &amp; Lancashire

Tel: Leeds 443171

(STD code 0532)

East Midlands

Tel: Nottingham 56181

(STD code 0601)

West Midlands

Birmingham

Tel: 021-632 4111

South West

Tel: Plymouth

01891 (STD code 0752)

Bristol 291071

(STD code 0272)

London &amp; South East

London

Tel: 01-603 2060

Ext. 221

Eastern Region

London

Tel: 01-603 2070

Ext. 359/360

Northern Ireland

Tel: Belfast 34488

(STD code 0232)

or London

01-493 0601

## Fall in September retail sales more than expected

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SPENDING in the shops during September fell by more than was first estimated from the buoyant level of the previous two months. But sales were still higher than earlier this year.

The final seasonally adjusted index of the volume of retail sales in September is 109.5 (1971=100), compared with a provisional estimate of 110.5.

The Department of Trade said yesterday that sales had declined from the high level in July and August (average 111.6), when the payment of back-dated income tax reductions appears to have influenced the trade of non-food shops.

A slight decline in spending in the autumn had been expected by the retail trade in view of the past pattern when the payment of tax rebates had led to a temporary boost to sales, followed by a lull. The trade expects sales to pick up again from this month onwards.

In the first nine months of this year the average level of retail sales was about 41 per cent higher than the average for last year. In the July to September period, the volume of sales was about 21 per cent above the level in the previous three months and 62 per cent higher than in the same period last year.

New credit extended by finance houses and retailers fell by £17m to £47m, seasonally adjusted, between August and September, and finance house lending was back to the level of the spring.

Total debt outstanding of both finance houses and retailers was £4,030m at the end of September, —3.1 per cent higher than at the end of June.

### HIRE PURCHASE CREDIT AND RETAIL SALES

(Seasonally adjusted)

	New credit extended by		Total debt outstanding (unadjusted)	Retail volume (revised)	
	Finance Houses	Retailers		Total	Durable goods shops
	£m	£m	£m	(1971=100)	
1976 1st	340	493	2,349	105.9	117
2nd	382	490	2,424	106.9	122
3rd	392	521	2,516	107.3	125
4th	421	547	2,716	105.9	124
1977 1st	457	550	2,792	103.3	116
2nd	486	561	2,930	102.5	118
3rd	544	605	3,109	104.3	121
4th	585	604	3,341	104.4	121
1978 1st	626	634	3,507	106.3	125
2nd	716	677	3,797	108.0	129
3rd	701	726	4,030	110.8	135
February	201	217	3,429	106.8	130
March	212	201	3,507	107.0	117
April	231	232	3,594	106.7	132
May	243	228	3,689	106.4	126
June	242	217	3,797	106.7	130
July	213	245	3,831	111.4	138
August	252	241	3,953	111.8	134
September	236	240	4,030	109.5	133

Source: Department of Trade

## New house-building up, but still low

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NEW house-building activity, which turned upward in September, is still well below the level of the previous year, though output continued to run at a disappointingly low level.

Figures from the Department of the Environment show that total new housing starts recorded in September rose to 24,500 from just over 20,000 in the previous month, although the figure was nearly 4,000 down on the same period of last year.

Total starts in the third quarter of 1978 were 10 per cent down on the previous three months and 9 per cent lower than in the third quarter of last year.

The number of homes finished by contractors in September rose to 22,000 from 20,800 in August, but remained well below the September total last year of 28,300.

Completions in the third quarter as a whole were 4 per cent down on the preceding three-monthly period, and 12 per cent lower than a year before. The Department figures show that the third quarter of this year, despite some earlier hopes, will prove to have been far from buoyant on the housing front.

Private-sector starts are still expected to reach about 155,000, showing a substantial improvement on the total last year of 155,000, but starts in the public sector seem likely to reach little more than 115,000, against 132,000 last year.

A combined housing-starts total of about 270,000 would prove only slightly better than last year's figure of 267,000.

The main concern for builders now is that with little prospect of a significant improvement in public-sector starts the outlook for private housing work next year begins to look shaky.

There have already been predictions that because of the shortage of mortgage finance private housing starts next year will fall back to the low levels of last year, giving an overall total for housing starts of about 250,000, lowest since 1974.

The one bright spot has been that with the substantial increases in market prices contractors have enjoyed much higher profit margins.

The Department said that provisional estimates put private-sector homes converted or improved in England in the third quarter at 12,500, against 13,000 in the previous three months.

About 8,000 homes were demolished or closed under slum-clearance programmes, compared with 9,700 in the previous three months.

## Homes prices rise 9½% during third quarter

BY OUR BUILDING CORRESPONDENT

AVERAGE HOUSE prices rose by 9½ per cent in the third quarter of this year, says the Department of the Environment. Figures yesterday confirmed earlier statistics from the building societies which showed that price rises earlier in the year gathered momentum in the July-September period, despite mortgage lending restrictions imposed by the Government.

Prices for this year as a whole are expected to rise on average by about 20 per cent.

The Department, which bases its findings on information from the societies, said that the average price of properties on which new mortgages were approved in the third quarter was £17,140, a 21½ per cent increase on a year earlier.

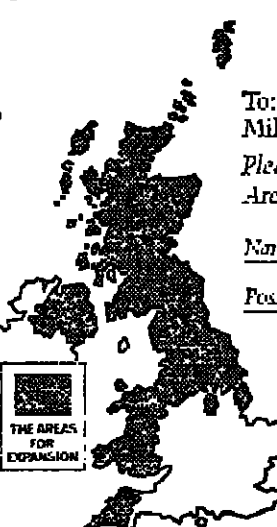
For new homes the average price in the third quarter was about £18,355, a rise of 73 per cent on the previous three months and 22 per cent on 12 months before. The average for second-hand properties was £16,910, an increase of 10 per cent on the previous quarter and 21 per cent on a year earlier.

## TWA Confirmed reservations to New York £149 return.

Why risk a lot of hassle with "walk-on" single fares when, for just a few pounds more, we can give you reserved space—both ways—on any TWA flight. All you have to do is book at least 21 days ahead and stay in America between 7 and 60 days. Ask your travel agent about TWA Super Apex fares.

TWA carries more scheduled passengers across the Atlantic than any other airline.

## TWA No.1 across the Atlantic.



To: The Industrial Expansion Team, Department of Industry, Millbank Tower, London SW1P4QU.

Please send me full details of the benefits available in the Areas for Expansion, as I have indicated above.

Name

Position in company

Company

Nature of business

Address

FT/91C

## Areas for Expansion

ISSUED BY THE DEPARTMENT OF INDUSTRY in association with the Central Economic Planning Department of the Ministry of Commerce.







## LABOUR NEWS

## Firemen allowed 22% 'special case' rise

BY PAULINE CLARK, LABOUR STAFF

THE GOVERNMENT has approved a 22 per cent pay rise for Britain's firemen under the special case deal which ended the national strike of last winter.

The rise, which will be formally tabled at a full national joint council meeting between the Fire Brigades Union and local authority employers on Thursday, is likely to encourage other groups in the public sector to demand special treatment on pay this year.

Government approval of the firemen's wage increase as an exception to the 5 per cent pay guidelines comes only a few days after the Department of Employment gave the go-ahead for a 30 per cent rise for 30,000 private sector plumbers under a special case deal.

Local authority manual workers and hospital ancillary workers who are demanding a 40 per cent increase, and the nurses

who have already applied to be made a special case this year, are likely to see the firemen's award as evidence of how far public service workers are falling behind the private sector under the Government's pay restrictions.

The firemen's pay increase, based on national earnings figures for adult manual workers, has turned out to be rather higher than the union was estimating at its annual conference only last month.

At that time, delegates were told to expect a 20 per cent rise to boost rates for qualified firemen by £15 a week.

On the latest New Earnings Survey figures produced by the Department of Employment, qualified firemen will in fact receive a £18 rise to bring weekly pay to £58 a week for those working outside London.

The formula takes into account adult male manual workers earnings in the upper

## Train drivers will 'take law into own hands' on bonuses

BY OUR LABOUR STAFF

TRAIN DRIVERS throughout the country were threatening to take the law into their own hands and stage industrial action over the outcome of the inquiry into a British Rail bonus scheme.

Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, said yesterday:

A senior union official has already warned that a series of one-day strikes Southern Region drivers are asked to begin this month would lead to "utter and complete chaos".

The union's executive meets on Thursday to decide on action over its failure to win a claim for parity with pay-train guards. Mr. Buckton said that it would "have to face the fact that a lot of the lads are taking the law into their own hands."

Strength of feeling on the findings of the Railway Staff National Tribunal was such as he had not witnessed "for a long, long time."

The union originally demanded "responsibility payments" for its 27,600 members to bring them into line with bonuses of £5.75 a week to pay-train guards. But the tribunal, under the chairmanship of Lord McCarthy, the industrial relations expert, recommended extra money for only drivers on the 125 mph high-speed train.

Mr. Buckton said that the tribunal's recommendation would introduce a "totally unacceptable" system of classification. Reintroduction of bonus schemes would be a retrograde step.

## Gas handlers likely to reject British Oxygen offer

BY NICK GARNETT, LABOUR STAFF

THERE WERE indications yesterday that a majority of drivers and cylinder handlers at the 48 depots within British Oxygen's gas division will reject the company's "final" pay offer of 8½ to 9 per cent.

The Transport and General Workers Union last night knew the decisions of mass meetings at only about one third of the depots.

Although most of those meetings had rejected the guideline-breaching offer, the overall position will not be known in detail until tonight or Wednesday.

The 13 depots in the company's southern region appear to be the most militant, and union negotiators said last night that workers at the Crawley branch had already voted to impose an unofficial overtime ban and work-to-rule.

Some of the biggest branches in the western and northern regions have overwhelmingly rejected the company's proposals, but there has been a split in the voting of workers in the eastern region.

Some of the mass meetings have made it clear that the size of the money offer is unacceptable. Union negotiators have been seeking rises of 14 to 15 per cent without any productivity element.

Some branches appear to have rejected the offer largely because of the productivity strings attached to it. These involve improved working flexibility.

Industry is looking with unease at the prospect of a dispute between the 3,000 drivers and cylinder handlers and British

Oxygen. Last year a strike by the same group led to more than 30,000 lay-offs throughout manufacturing, which was starved of industrial gases. British Oxygen has about 80 per cent of the industrial gas cylinder market.

The offer involves "reinstatement" of a 4 per cent supplement, an increase of 6 per cent on earnings, and a further 2½ per cent if justified by improved productivity.

In return Michelin is seeking firm commitments from the workforce which the company says are essential to maximise output and so justify the offer's size.

## Kodak workers to hold one-day pay strikes

BY OUR LABOUR STAFF

MANUAL WORKERS in the colour processing section of Kodak's Hemel Hempstead plant voted yesterday to hold a series of one-day strikes against the productivity element in the company's pay package which, with wage increases, totals 13 per cent.

The decision by 400 workers will increase pressure on the company to modify the productivity part of its offer, which is expected to yield a further 8 per cent on basic rates on top of the offered 5 per cent pay increase.

The whole offer is thought to be within Government pay guidelines.

Workers at the company's cylinder handlers and British plants at Sunningdale and

## Collective bargaining 'benefits employers as well as unions'

BY ALAN PIKE, LABOUR CORRESPONDENT

COLLECTIVE BARGAINING has advantages for employers as well as trade unions, Mr. Jim Mortimer, chairman of the Advisory Conciliation and Arbitration Service, declared in the Ernest Bevin Memorial Lecture in London last night.

A participative style of management was more likely to work than an authoritative style, and collective bargaining provided a means for discussing and resolving difficulties.

Terms and conditions of employment should be jointly regulated, and in modern industry, collective bargaining provided the democratic way for employees to have an input in many matters of concern to them.

Mr. Mortimer said that it was no sign of weakness for negotiators to use conciliation and arbitration facilities such as those provided by ACAS. However, they should be seen as "a sup-

plement and not as a substitute for direct collective bargaining." Trade union organisational strength—or power, as Bevin described it—was needed not as an alternative to negotiations but as the means to effective negotiations. Voluntary discipline and support for unions' constitutional authority was needed for good collective bargaining arrangements.

Trends within the trade union movement towards closer working and amalgamation should be encouraged, Mr. Mortimer said. Although fragmentation of representation was sometimes unavoidable, given the way in which trade unionism had grown, it might present obstacles to workers and employers.

The TUC arrangements for dealing with inter-union friction deserved the goodwill and support of all.

Trade union recognition had presented ACAS with some of its most difficult work. Mr. Mortimer recalled that Bevin, because of his drive to overcome fragmentation and develop the power that solidarity could provide, was nearly always hostile to "break-away organisations or to an invasion by one union into the sphere of influence of another."

Bevin, Mr. Mortimer said, had a strong sense of trade union discipline. When his union had established negotiating rights or a sphere of influence he was frequently generous in his attitude to other unions whose roots and role he respected, but he was intolerant of breakaway organisations or deliberate raiding.

"He demonstrated this on a number of occasions in relation to attempts to form breakaway organisations among sections of the membership. The need to reduce trade union fragmentation of representation is still with us to this day."

## Safety dispute stops Glasgow ambulances

GLASGOW AMBULANCE drivers were sent home yesterday, leaving police cars to take emergency cases, to hospital for refusing to use Bedford CF 25 and 28 ambulances because of a dispute over wheel safety.

The ambulance men claim the vehicles have a basic defect which causes the wheels to fall off at high speed. Their union says the ambulances are safe.

Police cars were put on standby in Glasgow, Paisley and Greenock.

## Southern TV men return

SOUTHERN TELEVISION is due back on the air today after agreement in a dispute involving technicians that has blacked out screens for more than a week.

Two hundred members of the Association of Cinematograph, Television and Allied Technicians walked out on October 27 in a dispute about overtime and productivity payments.

Southern Television, which is based in Southampton and serves 5m viewers, said that the company and union had agreed a basis for a return to work. It declined to give details.

## Journalists may take action

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS of 9,000 provincial journalists are planning industrial action from November 20 in support of a £20 pay claim well in excess of the Government's 5 per cent pay guidelines.

The plans will be formulated next Saturday at a meeting of chapel fathers (local branch leaders) of the National Union of Journalists from provincial newspaper groups throughout the country, including Northern Ireland.

The 300 or so chapel fathers involved will then be instructed

to hold mandatory chapel meetings on the issue in the run-up to the date set for action.

Newspaper Society employers' negotiators last week offered the journalists a 5 per cent rise and promised to consider a further increase if Government pay policy was different by mid-December.

Union leaders, however, have rejected any attempt to follow the Government's pay policy which, they argue, has been disregarded by some major employers in the private sector. They expect a grass-roots

reaction against an offer which adds only £3.20 to basic rates and which, the union claims, does not accept that there is a "pay crisis" affecting long-serving senior journalists in particular.

The employers have offered to argue the case for special rises for senior journalists with the Department of Employment but the union is demanding a commitment to a future first.

Basic rates for qualified provincial journalists at present are between £60.82 and £68.82 a week.

In a circular to its provincial members explaining the £20 claim, the union urged an immediate start on improving pay to bring an end to "the drain of talent" that was taking place. It warned that senior jobs would go unfilled and papers would have to depend "to an even greater extent on trainees who are expected to live on stony optimism rather than a decent living wage."

**East Kilbride jobs boom**

A TOTAL OF 1,365 new jobs in industry have been created in the past six months in East Kilbride New Town, Scotland, and of these 1,187 were in manufacturing industries.

Most of the increase has been in the labour forces of existing and expanding industrial companies. In the same time, 22 new industrial companies set up in the town, and the eventual employment potential is 722 jobs.

## Wyeth dispute taken to arbitration committee

BY NICK GARNETT, LABOUR STAFF

A UNION claim for greatly improved pay and conditions at the John Wyeth pharmaceutical company is to be made today at the Central Arbitration Committee after a disagreement over union recognition.

The Advisory Conciliation and Arbitration Service recommended this year that the Association of Scientific, Technical and Managerial Staffs should be recognised by the company for collective bargaining on behalf of about 100 salesmen.

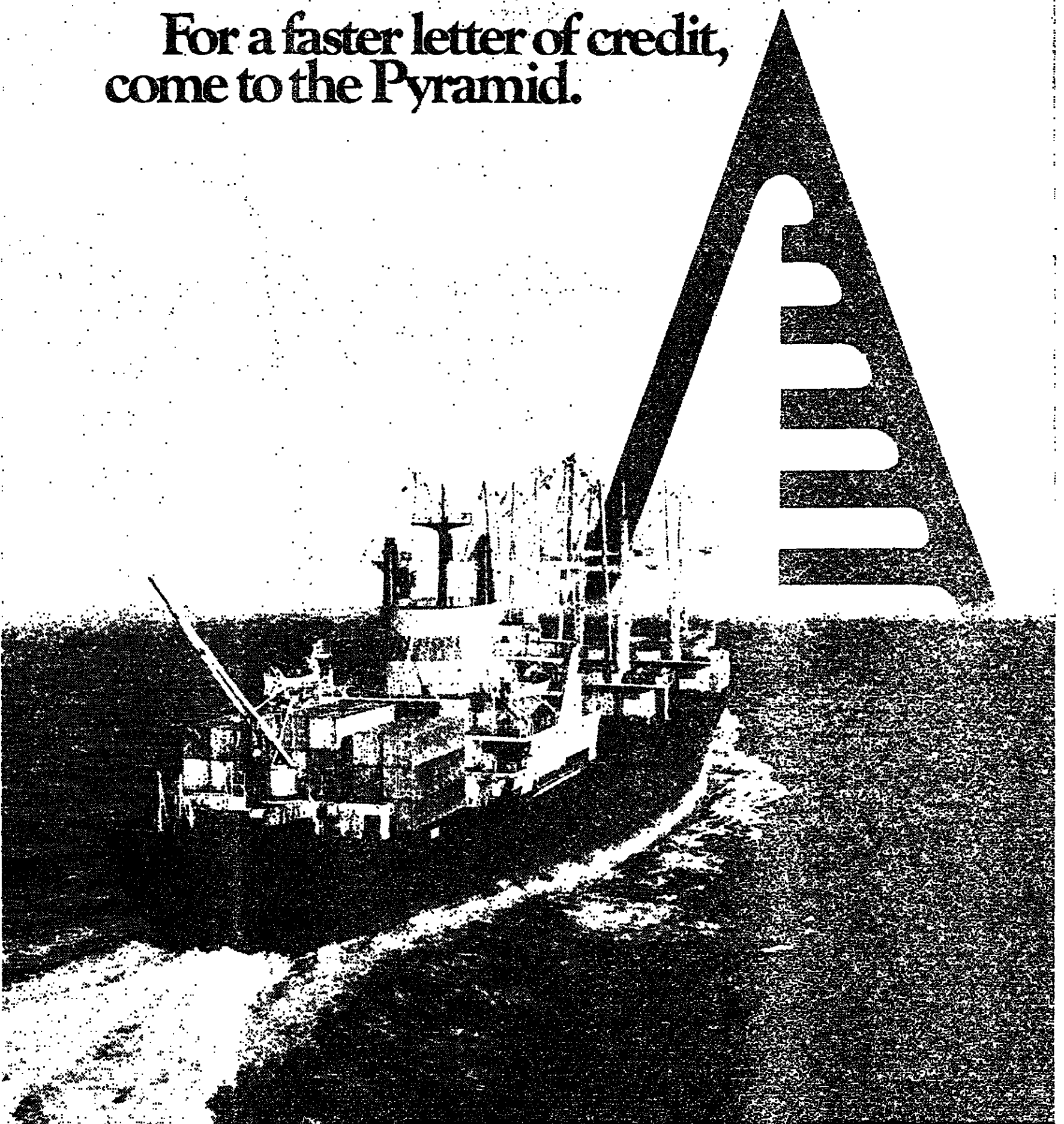
The recommendation has never been put into effect in spite of further conciliation by ACAS. The union is now submitting a claim under section 16 of the Employment Protection Act,

which allows the CAC to set new pay and conditions, after a failure to implement an ACAS recommendation, to the standards that would apply if a union were recognised.

If the CAC sets new pay and conditions and a company fails to implement them, the union concerned may pursue the matter through the county courts.

The union said yesterday that its claim involved pay increases of about 35 per cent, improved bonus arrangements and fringe benefits including car allowance and sabbatical leave. The claim had been justified by a comparison with 30 other similar companies.

For a faster letter of credit, come to the Pyramid.



The Bankers Trust symbol usually stands for permanence and tradition. In the case of letters of credit, it stands for qualities you don't associate with pyramids: speed and innovation.

Our speed comes from the computer. Bankers Trust has the first computer system that processes letters of credit.

And not just simple credits. Standby credits, deferred payment credits, special purpose credits, credits involving construction contracts, aircraft purchases and the U.S. Export-Import bank, among others.

The system types the letter, organizes the reference numbers (yours, ours, the correspondent banks, etc.), stores the credit, prints out the terms when the time comes for payment, adds amendments and calculates the charges.

We can now give you the exact status of any credit in minutes. Or all your credits in numerical order overnight.

To implement this, we also have a technical sales force of the most experienced people in the field to work with you, your lawyers, the buyers or

sellers and their lawyers and with regulatory agencies to define and write the terms of the credit.

In addition to our computer and sales force, our whole letter of credit operation is organized along geographic lines (Europe, Latin America, Asia, etc.) to respond to the urgent needs of our customers even more quickly and efficiently.

Letters of credit, of course, are only one way we can help you in the import-export field. For whenever and wherever you see the Bankers Trust Pyramid, you're dealing with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money worldwide.

No matter what your needs, a trip to the Pyramid can be a rewarding experience.

**Bankers Trust Company**

250 Park Avenue, New York, N.Y. 10017

International Banking Subsidiaries in the United States: Chicago, Houston, Los Angeles and Miami. Overseas Branches: LONDON, BIRMINGHAM, MILAN, PARIS, TOKYO, SINGAPORE, NASSAU, PANAMA CITY and BAHRAIN. An International Banking Network of branches, subsidiaries, affiliates and correspondents in more than 100 countries.

Member Federal Deposit Insurance Corporation © Bankers Trust Company

**TWA**  
Confirmed  
reservations to  
Philadelphia  
£156 return.

Why risk a lot of hassle with "walk-on" single fares when, for just a few pounds more, we can give you reserved space—both ways—on any TWA flight. All you have to do is book at least 21 days ahead and stay in America between 7 and 60 days. Ask your travel agent about TWA Super Apex fares.

TWA carries more scheduled passengers across the Atlantic than any other airline.

**TWA**  
No.1 across the Atlantic.



## CBI at BRIGHTON

## Secret ballots urged before strikes

By David Churchill

A STRONG attack on the power of trade union leaders was launched by Mr. John Greenborough in his presidential address to the conference.

Mr. Greenborough made clear his support for the holding of a secret ballot before union strike action was taken.

"We are not convinced that the opinions expressed publicly by the national union leaders, and particularly those of shop stewards, are truly representative of the majority of the union members," he said.

Workers should be allowed "without hindrance" to express freely their individual views on all issues, particularly on strike action.

## Important

Perhaps the two most important words in the English language at this point in our history were Secret Ballot.

Change would not happen quickly, but was "bound to come as the ultimate sanction on any issue such as this comes from the popular opinion, and that opinion progressively votes increasingly great concern on this issue."

The power of trade unions had put the nation at "a point of dangerous disequilibrium." The task of creating a new balance must be the responsibility of politicians.

"But industrialists and managers have an enormous role to play by their ability day in and day out to exercise persuasive leadership in their own field."

Industrialists should stress the need for self-discipline "among all who make up the industrial team in their own enlightened self-interest."

It was the aim of the CBI to offer such persuasive leadership. While acknowledging that it was difficult "to conceive how we could create a countervailing power as such," Mr. Greenborough believed that a great deal could be done through greater employer solidarity.

"Once real understanding has been achieved as to the cause and effect of the action we all take on our living standards and our job security, then we can anticipate some movement towards consensus which will in turn lead us towards the ultimate — enlightened self-discipline."

## No basic conflict, members decide

DELEGATES BACKED a resolution which said there is "no basic conflict between the requirements of industry, financial institutions, and the national interest." David Churchill writes.

Mr. Ronald Peet, director and chief executive of the Legal and General Assurance Society, and chairman of the British Insurance Association, told the conference that the resolution was prompted by the continuing desire of some sectors of the labour movement to exert control of institutional funds.

The TUC had put forward a plan for a £100 m. year investment fund to be financed by the insurance companies and pension funds, and by money from North Sea oil. Mr. Peet had not, so far, outlined the investment criteria it intended to apply in managing "this very benevolent fund. It seems we are asked to pay up first and hear later."

## Lame ducks

It was a waste to feed the hard-earned savings of investors to a "flock of lame ducks." Both industry and the financial sector had submitted overwhelming evidence to the Wilson Committee that it was not a shortage of external finance which had restricted UK industrial investment, but rather a lack of confidence in the stability of the economy and in prospects for profitability.

"We all want to see an improvement in the performance and profitability of British industry, but this is not going to be achieved by milking insurance companies and pension funds to support investment projects which cannot be justified on commercial grounds."

If the Government believed certain investments were desirable on social grounds alone, they should be financed through the tax system and not by picking the pockets of the prudent," said Mr. Peet.

Other speakers in the debate included Mr. E. Chappell, from Morgan Grenfell; Mr. I. Hall, from the Clerical, Medical and General Life Assurance Society; and Mr. Timothy Boyle, from Hogg Robinson.

## Edwardes advocates profits and growth to offset high taxes

By Lisa Wood

A CALL to "let profits rip," thus enabling UK businesses to breathe again, was made yesterday by Mr. Michael Edwardes, chairman of B.L., speaking at the Confederation of British Industry's national conference in Brighton.

Mr. Edwardes, introducing the session on taxation, said that while work was very important, so was reward, and by that he meant: after taxation, rewards.

There were three votes taken after the debate: on reducing income tax, the timing of this and possible cuts in the public sector.

The conference unanimously endorsed CBI policy of focusing on the need to reduce income tax, claiming that this would support the objectives of defeating inflation, improving competitiveness, and expanding the economy by increasing personal incentives.

But there was some disagreement expressed on the timing of the implementation of the policy. About 40 of the 1,200 delegates voted for almost immediate implementation of tax cuts. The CBI had called for a "phased programme," thus avoiding sharp increases in the burden of indirect taxes.

## Incentives

About 20 delegates also objected to a show of hands, on the third motion, on the CBI's policy of stabilising government expenditure at today's levels in real terms, up to 1981.

One speaker, however, did talk with some heat on the problems of cutting public expenditure by local authorities.

Mr. Edwardes said that the present high rates of taxation demotivated workers, including Kevin Keegan, the footballer, driving many out of the country to seek work where there were greater after-taxation incentives.

Taxation also dissuaded employees from working overtime, many preferring to "moonlight" where they could do "jobs free of tax."

Present taxation also discouraged investment and risk-taking, depriving the individual of his ability to save and decide how he should spend his earnings.

Quoting Sir Francis Baron, Mr. Edwardes said: "Never will a

people so overloaded with taxes become valiant and martial."

The top rate of taxation should be cut in 50 per cent with rates starting at 25 per cent of earnings. "We must remove hundreds of thousands from the taxation net," Expressing scepticism on the effectiveness of Tory and Labour governments, he said that this could be paid for by either party, if they had the will to do it.

There were three methods of "paying" for reduced income tax rates. The first, which is CBI theory—that the growth in the economy would fund a 30 per cent cut in personal tax, provided total public expenditure was kept constant in world terms until 1981-82—was a good idea, but a cautious view should be taken of forecasts concerning growth in the economy.

The second method was to cut public spending. In his role at B.L., he could not plead for cuts, although there had been a time when he was better placed to be objective about such matters.

Mr. Edwardes favoured holding public spending at its "present high level" with companies paying more tax.

Quickly to ask the conference not to drum him out of court, he said that, by this, he meant "letting profits rip."

"Let profits go free, the market competition will determine the issue." The profits and growth in industry would pay the increased taxes.

He would not like to see a reduction in the National Insurance surcharge: "Personal taxation is the public enemy No. 1."

Advice in proceed with caution in the introduction of greater indirect taxation, came from Mr. Richard B. Lloyd of Hill Samuel and Company. He said: "Better to hasten slowly and arrive," rather than move in a swift way with attendant inflationary dangers.

Mr. Norman Clark, of E. A. Clares and Sons, spoke of the problems of capital transfer tax in small businesses.

Sir Emmanuel Kaye, of Lumsden Bassall and the Unquoted Companies' Group, said that Britain's capital taxes were the highest in the world. He urged the CBI to put its full weight behind a pull-over in CTT.

Mr. Bruce Sutherland, of Harris and Sheldon Group, was one of the strongest advocates

for immediate tax cuts. He said that, if dramatic effects were wanted, dramatic actions should be taken.

As well as speaking on the cutting of the basic rate of taxation to 25 per cent, with a top rate of 50 per cent, he suggested abolishing National Insurance, the introduction of an employer's social security tax on 20 per cent of all payrolls, a flat VAT rate, and the cutting of government spending by 5 per cent in real terms.

## Avoidance

If CBI policy was taken as it stood, it was like the priest's plea of "Oh, God, save me from sin—but not now."

Mr. Peter Trew, National Federation of Building Trades Employers, endorsed Mr. Sutherland's call for immediate action on tax, and advocated an increase in VAT, possibly up to 15 per cent, as a way of increasing indirect taxes.

While Mr. John Crowe, of Imperial Chemicals Industries, spoke of the decline in "tax morality," Mr. Denis C. Cross, director of Hambros Bank, spoke about anti-tax avoidance regulations.

Mr. Alfred Gooding, chairman of A. J. Gooding Group, brought a new dimension to the discussion with praise for his Welsh employees, who, he said, wanted to work overtime, and, in fact, did so, but who complained most vociferously about taxation on their efforts.

Sir Leonard Neal, director of Pilkington Brothers, spoke with fervour against the "deaf mutes of Downing Street," whom he said needed constant reiteration of the disincentive effect of the present tax system.

He spoke of the basic dilemma of a society that needed to maintain itself as caring, as well as needing to create wealth. "When will we ever learn that we must create the wealth before we can share it?"

Mr. Gerald Mortimer of Consolidated Gold Fields outlined some of the problems facing local authorities. He spoke of the social and economic benefits of local government spending and said that it came under closer scrutiny than did central Government in its spending.

Mr. Norman Clark, of E. A. Clares and Sons, spoke of the problems of capital transfer tax in small businesses.

Sir Emmanuel Kaye, of Lumsden Bassall and the Unquoted Companies' Group, said that Britain's capital taxes were the highest in the world. He urged the CBI to put its full weight behind a pull-over in CTT.

Mr. Bruce Sutherland, of Harris and Sheldon Group, was one of the strongest advocates

## Productivity must rise before working hours are cut, say delegates

TRADE UNION demands for a shorter working week were strongly opposed when the conference debated productivity and employment, writes David Churchill.

Delegates unanimously endorsed a policy that "without substantial improvement in productivity and unit labour costs, companies should resist claims for a shorter working week."

The conference called on the Government to reduce inflation further as its prime policy objective. It declared that, as a country, "we should create and use more skills; increase incentives at all levels; reduce the mismatches between the unemployed and available jobs; and deal with structural problems, such as inter-plant decay and youth unemployment, which are of particular social concern."

## Leadership

Lord Carr of Haddington, former Conservative Employment Secretary, opened the debate with a reminder of the Confederation's policy programme of two years ago which, if implemented by the Government, would create an extra 1 m. jobs.

"This is still our target. It is ambitious, but it can be done. But it is now clear that keeping unemployment within tolerable bounds is going to be far more difficult than most people realised only a few years ago."

The only means of increasing employment was to sell more goods and services in demand at home and abroad.

"We are more dependent on foreign trade than any other major industrial country and we cannot opt out."

UK industrial productivity was too low, and that led "straight down the road to the dole queue."

Union fears of high productivity leading to a loss of jobs

was wrong. "We must now look to trade union leaders to start giving much bolder leadership to their members on this vital matter," writes David Churchill.

Outdated attitudes by trades unions were not the whole story. Governments were also to blame for "imposing taxation and other policies which discouraged enterprise and innovation."

Managements were at fault for failing to give the necessary leadership and initiative. As long as UK productivity was so low, therefore, "it would be suicidal for Britain to be the pace-setter in the move towards shorter working hours."

Costs and prices would rise, exports be lost and unemployment increased.

The point was echoed by Mr. B. Hill of Charles Hill Bristol. "Let us match European productivity before making things worse at home by a shorter working week."

Mr. C. Pike, of Watts, Blake, Revere and Co., agreed that although a shorter working week was folly, a case existed for eliminating excess overtime. His company had had no paid overtime for 20 years.

Several speakers pointed out potential benefits and dangers in widespread introduction of micro-processors technology. Dr. B. Landley, of Ives, called for a new effort to invest in micro-processors technology to increase jobs in the long run and make better use of people's time. But he gave warning of the short-term effect on employment.

Mr. L. Sutherland, of Manpower, called on the confederation to take the initiative in approaching the TUC so that companies and unions could pool their knowledge of new productivity measures, and "end the thence-and-situation."

Sir Hector Linn, chairman of United Biscuits, emphasised that strong leadership by man-

agement and more effective communication with the workforce would do most to improve productivity.

The only way for companies to change attitudes was to lead from the top. The chairman or chief executive should talk regularly to employees and a strongly organised chain of command should ensure a two-way flow of information and decision-making.

The position had to be reversed whereby workers appeared in shop stewards over every trivial complaint rather than take it to management, Sir Hector said.

Sir Raymond Penneck, a deputy chairman of ICI, who summed the debate, observed that unemployment would not be wiped out by job creation. "This is lacking the consequence of the problem when we should be grappling with its source."

Job creation measures, were at best a temporary palliative, putting off the evil day, and at worst a cruel deceit building up expectations when the training is dropped at the end of the programme.

"We cannot solve unemployment by work-sharing and a shorter working week. Nor could unemployment be reduced by controlling inflation with stricter price control; profitability was too low."

Other speakers included Mr. J. Bonas, of Bonas Machine Co.; Mr. D. Bampton, of Bampton Bros.; Mr. L. Richardson, of ICFG Numa; Mr. N. Cooper, of SFC; Mr. H. Holman, of the Gauge and Toolmakers' Association; Mr. R. Venables, of Henry Venables; Mr. P. Ellis, of British Sidar; Mr. J. Hooper, of Armstrong Equipment; and Mr. R. Lander, of Lander Alton Co.

Consequence

The position had to be reversed whereby workers appeared in shop stewards over every trivial complaint rather than take it to management, Sir Hector said.

Job creation measures, were at best a temporary palliative, putting off the evil day, and at worst a cruel deceit building up expectations when the training is dropped at the end of the programme.

"We cannot solve unemployment by work-sharing and a shorter working week. Nor could unemployment be reduced by controlling inflation with stricter price control; profitability was too low."

Other speakers included Mr. J. Bonas, of Bonas Machine Co.; Mr. D. Bampton, of Bampton Bros.; Mr. L. Richardson, of ICFG Numa; Mr. N. Cooper, of SFC; Mr. H. Holman, of the Gauge and Toolmakers' Association; Mr. R. Venables, of Henry Venables; Mr. P. Ellis, of British Sidar; Mr. J. Hooper, of Armstrong Equipment; and Mr. R. Lander, of Lander Alton Co.

## 'No more nationalisation' call

FEW HANDS were raised at the CBI national conference in Brighton against a motion calling for no more nationalisation and phasing-out of most forms of selective assistance and subsidy at the earliest opportunity, writes Lisa Wood.

Mr. C. J. Chetwood, joint managing director of George Wimpey, and chairman of the contractors' group of the National Federation of Building Trades Employers, introducing the motion, said that the unpopularity of further nationalisation was realised by many "moderate politicians of the Left."

Yet a new system of "crown Government contracts" earlier this year making a voluntary agreement mandatory, and imposing penalties for non-compliance with Government contracts.

"Thus we saw for the first time in Britain the forcing of industry to follow a policy that could not have been created in Parliament, and the creation of a secret black list for those who supposedly had offended against this non-existent law."

The nation was becoming "swamped by bureaucracy. Whenever a problem arose there came a cry for a committee to be formed, the clause written into

Government contracts, earlier this year making a voluntary agreement mandatory, and imposing penalties for non-compliance with Government contracts.

"Thus we saw for the first time in Britain the forcing of industry to follow a policy that could not have been created in Parliament, and the creation of a secret black list for those who supposedly had offended against this non-existent law."

The nation was becoming "swamped by bureaucracy. Whenever a problem arose there came a cry for a committee to be formed, the clause written into



Mr. Michael Edwardes (left), chairman of B.L., makes a point to Mr. John Greenborough, CBI president

## Law to enforce worker-director plan rejected

A staunch opponent of local government reorganisation, and adverse to any changes in the rating system, he said that local governments were doing their best to hold levels of spending.

Mr. Francis Elvy, general manager of Sperry Gyroscope, attacked social security benefits and called for a negative income tax system integrated with the social security system, which would mean that strikers, for example, would, at the end of a strike, have to pay back their tax rebates.

Mr. Kenneth Dixon of the British Railways Board summed up the tone of the conference with a call for the State to encourage the thrifty, enterprising and hard-working and not the lazy, work-shy and scrounging.

He called those responsible for the taxation system as people seeing themselves as Robin Hoods, taking from the rich to give to the poor, but who were, in fact, robber-baron.

Sir Adrian Cadbury of Cadbury Schweppes, summing up the debate on taxation, reiterated the need to restore personal incentives at all levels.

CBI policies should not be seen by the public as those of a narrow interest group but rather as policies serving a very wide community.

## CBI seeks electoral reform policy

FIRST STEPS towards the Confederation of British Industry's formulation of a pro-electoral reform policy were made yesterday at the federation's annual conference in Brighton, writes Lisa Wood.

By a 2-1 majority, delegates agreed that the present political structure generated unnecessary damage to industry and commerce and that any change must facilitate better industrial performance. The aim was a movement towards early reform of the electoral system.

Although the CBI set up a working party in 1968 to examine the implications of proportional representation, it has taken a neutral position on such reform until now.

Mr. D. Nixon, CBI Scottish Regional vice-chairman, who introduced yesterday's motion, said an appalling inherent danger of Britain's present constitution was that it combined both the administration with the legislature, without an effective second chamber.

"Our electoral system then puts both in the hands of two separate political parties, neither of which has ever been elected by a majority of the British people and one of which, in the foreseeable future, could be controlled by a minority within a minority."

Mr. Nixon said that the Government's latest set of proposals on employee participation were more delicately drafted than the "bulletin of Bullock" but still contained far too much of the basic misconceptions and unworkable proposals that littered the original Bullock report.

The Government was now stressing the hope that participation would be voluntary and that statutory arrangements would be the exception. "But it is hard to resist the feeling that the absence in voluntary participation is a suture to catch a workman."

Mr. Jarratt denied that employers doubted the importance of employee involvement in the company. "This is rubbish, I believe, as does the CBI and as did conference last year, that we will achieve our industrial objective only by involving increasingly those who will make our industrial revival possible."

"We believe that this involvement must start where all democratic starts, at the grass roots: that it has to accommodate the different cultures, activities and shapes of companies that exist in Britain today."

"And the most important requirement of all is the attitudes, the preparedness of those who will be involving themselves in the management of the shop and office floor."

Enormous damage would be done by grafting on new structures—whether at board level or below—on to the incredibly complicated matrix of human and institutional relationship that comprises British industry.

The conference should not let the issue of legislation obscure the need for the proper development of employee involvement.

Many companies are already well down this road and need

LEGISLATION to force employee participation on companies was roundly condemned by the conference. After a lively debate, delegates voted by a large majority to ask the CBI council to think again on its policy towards legislation on participation.

The conference resolution had agreed to accept limited back-up legislation to encourage participation below board level. But so strong was the hostility to any form of legislation that Mr. John Greenborough, CBI president, agreed with a proposal from Lord Watkinson to remit the resolution to the CBI council.

In a separate vote, delegates unanimously endorsed the CBI opposition to the White Paper on industrial democracy and to a Bill based on its proposals.

Delegates also recommended by an overwhelming majority that the CBI should develop and promote a voluntary code of practice to encourage the highest standards of participation within companies.

Opening the debate, Mr. Alex Jarratt, chairman and chief executive of Reed International, emphasised the three main points of the CBI's objection to the Government's proposals. He said:

1—"We reject completely the imposition of so-called worker directors over the heads of our shareholders."

2—"We reject completely the single channel or representation: all employees must have equal rights under the law."

3—"We reject completely any legislation that would force a rigid formula on companies when the real hope for participation lies in flexibility of application."

Mr. Jarratt said the Government's latest set of proposals on employee participation were more delicately drafted than the "bulletin of Bullock" but still contained far too much of the basic misconceptions and unworkable proposals that littered the original Bullock report.

The Government was now stressing the hope that participation would be voluntary and that statutory arrangements would be the exception. "But it is hard to resist the feeling that the absence in voluntary participation is a suture to catch a workman."

Mr. Jarratt denied that employers doubted the importance of employee involvement in the company. "This is rubbish, I believe, as does the CBI and as did conference last year, that we will achieve our industrial objective only by involving increasingly those who will make our industrial revival possible."

"We believe that this involvement must start where all democratic starts, at the grass roots: that it has to accommodate the different cultures, activities and shapes of companies that exist in Britain today."

"And the most important requirement of all is the attitudes, the preparedness of those who will be involving themselves in the management of the shop and office floor."

Enormous damage would be done by grafting on new structures—whether at board level or below—on to the incredibly complicated matrix of human and institutional relationship that comprises British industry.

The conference should not let the issue of legislation obscure the need for the proper development of employee involvement.

Many companies are already well down this road and need

LEGISLATION to force employee participation on companies was roundly condemned by the conference. After a lively debate, delegates voted by a large majority to ask the CBI council to think again on its policy towards legislation on participation.

The conference resolution had agreed to accept limited back-up legislation to encourage participation below board level. But so strong was the hostility to any form of legislation that Mr. John Greenborough, CBI president, agreed with a proposal from Lord Watkinson to remit the resolution to the CBI council.

In a separate vote, delegates unanimously endorsed the CBI opposition to the White Paper on industrial democracy and to a Bill based on its proposals.

Delegates also recommended by an overwhelming majority that the CBI should develop and promote a voluntary code of practice to encourage the highest standards of participation within companies.



MR. ALEX JARRATT  
Three main objections

little guidance on how to complete the journey. However, there are many who are less experienced and some—hopefully only a few—who do not wish to know."

Dr. Austin Pearce, chairman of Esso Petroleum, reminded the conference of the need to let employees air their views on participation mechanisms. One of the big unions which had given their views to Government had consulted its members on the shop floor.

Dr. Pearce also told the conference that multinational companies believed that the climate in the UK was no longer conducive to investment from overseas. Executives had told him that they had never seen confidence in Britain from overseas as low as it was today.

It was no surprise to hear that the Department of Energy was investigating why oil companies no longer were anxious to look for oil off the UK.

Mr. Ken Webb, chairman of Birds Eye, said that some sort of participation was needed to encourage participation in companies and suggested that such an incentive could be tax relief for companies.

The strong opposition to any form of legislation forcing employee participation was backed by Sir Geoffrey Hawkins, president of the Engineering Employers Federation.

He said that this attitude was based on practical experience in engineering companies and not on the extremely hazy Mafra.

But Lord Plowden, from Time Investments, felt that some back legislation may be necessary to ensure that all companies improved participation.

Otherwise, if a minority of companies ignored increased participation there could be stronger legislation. Any decision by the conference should be deferred until the Government published its detailed proposals on participation in the form of a Bill.

Lord Watkinson, summing up the debate, acknowledged that the put feeling was against legislation. He therefore proposed that the resolution be remitted to the council.

Earlier, Mr. Fane Verdon, from Ash and Lacy, described the CBI council as an orchestrated Mafia, and an extremely hazy Mafra.

He called for stronger leadership from management as well as participation.

Other speakers in the debate included: Mr. I. Norton, from Union International Co.; Mr. J. Burt, from Borthwick-Holmes; Mr. Dennis Randolph, chairman of the Institute of Directors; and Wilkinson Motors.

Mrs. N. Porter, from the Federation of Sussex Industries.

## The nuts and bolts men bring it all to life

By Elnor Goodman

AS IF to prove to the Government that it is not only the TUC which is inhibited from entering into easy agreements with Ministers by the attitude of its militant members, the Confederation of British Industry yesterday allowed its backwoodsmen to vent their passions on the rostrum.

Backwoodsmen, always referred to as such by CBI officials in London, are a breed of businessmen about whom the CBI hierarchy feels distinctly ambivalent.

Rumoured to be small and largely involved in the production of nuts and bolts in the Midlands, their inability to understand the more subtle machinations of the corporate state can be a source of frustration to those CBI leaders entrusted with the delicate job of negotiating with the Government.

On the other hand, they can be very useful as scapegoats when the going gets tough in those very same negotiations. Their intransigence is quoted by the CBI negotiators in the same way as the TUC sometimes blames its problems in co-operating with the Government on its militant shop stewards.

Yesterday, combining both functions, it was these same backwoodsmen who finally brought the conference to life.

As at last month's Tory conference, most of the resolutions were framed in such a way as to be totally unobjectionable to anyone who had bothered to come to Brighton. The exception yesterday was part two of the resolution dealing with industrial democracy.

Asked to approve the CBI Council's acceptance of "limited back-up legislation to encourage participation below board level," the delegates representing some smaller companies rebelled.

The first sign of a protest came when a man from Union International argued that no such position could be endorsed. He said that changes had been made to the industrial relations legislation.

His speech sent the clapper net, which until then had been barely registering on the party political conference scale, up to a new high. One delegate even tried to bring the audience to its feet.

Next to speak was Mr. Fane Verdon of Ash and Lacy, who in the brief history of CBI conferences has established himself as one of the most vocal representatives of the independent wing of the CBI.

Attacking the CBI as moribund and undemocratic,



## PARLIAMENT AND POLITICS

## Rees takes a tough line on prison officers' action

BY JOHN HUNT

A TOUGH line was taken by Mr. Merlyn Rees, Home Secretary, in the Commons yesterday over the unofficial industrial action being taken by prison officers in pursuance of their claim for meal allowances going back to 1971.

At the same time, however, he held out an olive branch by replying to Mr. Robert Kilroy-Silk's agreement that the question of meal allowances and retrospectively that last week he had said that they could be included in the Government could not allow terms of reference of the inquiry such events to occur.

But he emphasised that the Prison Department was now being taken to negotiate only with the executive of the Prison Officers Association in attempts to settle the dispute.

He also maintained that some of the prison officers who claim to be spokesmen for the men did not even represent the majority of staff in the prisons where they worked.

Mr. Rees also hinted that some instances officers could be in breach of the law if they were breaking their official code of conduct.

Speaking in the debate on the Queen's Speech, the Home Secretary said that earlier in the day, he had met officials of the Prison Officers Association (POA). They were "upset, to put it mildly" at the unofficial action.

At 11 am yesterday, he said, 26 out of 113 prisons were affected by industrial action. A further four were considering the position and, in addition, PPAK had been taking industrial action for some time.

There were 14 prisons in the south-east where industrial action was in operation, seven in the South-West, five in the



Mr. Merlyn Rees

now being drawn up before the inquiry into the prison service which was announced last week. The prison officers' executive had made it clear that they would expect the question of retrospective meal allowances to be included in the inquiry.

## Authority

He saw no objection to this and hoped that the report would be forthcoming early next year. He POA was a responsible elected body. "But some of the people who appear on TV are speaking without the full authority of those in the prisons they come from," he declared.

On vandalism, Mr. Rees suggested that local authorities

should set up special centres at town halls, where people could phone in and report such instances.

At the moment, he said, very little was known about many such occurrences.

Over the past 20 years, the level of crime had risen relentlessly. At the moment, however, the rate of increase seemed to be slowing down. During the present year alone, more than £200 million was spent on law and order—£300 million in 1974.

The effect of the police pay award was being felt and wastage of staff quitting the force had fallen to 25 per cent below average. In the Metropolitan police, recruitment had risen by 27 per cent and wastage fallen by 30 per cent.

From the opposition front, Mr. David Howell, Conservative deputy spokesman on home affairs, said his party would back any steps Mr. Rees thought necessary to maintain law and order in prisons.

Nevertheless, he attacked the Government over its general attitude to the subject of law and order. In the last couple of years, he said, there had been a resurgence of public demand for policies which re-inforce personal and family standards.

"Politicians' response should be to stop blaming the situation, the media and the Opposition, and start giving a vigorous lead from the top. But we do not see this approach by Ministers."

Mr. Howell also suggested that there was a good case for removing the Prison Department away from the responsibility of the Home Office and once more making it a separate establishment.

## Oil tanker spillage costs 'to be recouped'

## Tory MPs rebuffed over 'secret document' inquiry

BY IVOR OWEN

THE GOVERNMENT intend claiming reimbursement of the whole cost of clearing up the oil spillage from the tanker *Christos Bilas*, Mr. Clinton Davis, Trade Under-Secretary, told the Commons in a written answer.

Initially, spending on the anti-pollution operation would be met from public funds. It was too early to say when the full costs would be known.

Mr. Davis said the Merchant Shipping (Oil Pollution) Act 1971, implementing in the UK an international convention on civil liability for oil pollution, enabled the Government to claim reimbursement.

If necessary, the Government could also claim back the costs under the oil industry's voluntary scheme on liability for oil pollution.

Ten prosecutions have been brought for breaches of the UN sanctions on Rhodesia, Mr. Sam Silkin, Attorney-General, told the Commons.

In a written answer, Mr. Silkin said nine of these prosecutions had been successful and one was pending. Twenty-four prosecutions had also been brought for breaches of other legislation relating to Rhodesian sanctions, of which 21 had been successful. Three cases were pending.

"In cases where there have been convictions, fines ranging between £10 and £50,000 have been imposed. In some cases, where imports to the UK have been concerned, goods have been confiscated."

Tomorrow night, the Commons will vote on the Order continuing the sanctions against Rhodesia.

In a Commons written question, Mr. Neil Martin (C. Banbury) asked whether extra payment for arriving at work on time was regarded as an "allowable" productivity deal within the Government's pay policy.

Mr. Harold Walker, Minister of State, Employment, said: "It is the responsibility of negotiators to ensure that self-financing productivity schemes, including those where payments are made in relation to timekeeping and attendance, are in accordance with the policy set out in the White Paper *Winning the Battle Against Inflation*."

Mr. Martin Flannery (Lab, Hillsborough) said that the Embassy had been attacked because of Britain's defence of the Shah, the leader of a bloodstained tyranny.

Mr. Stan Newens (Lab, Harlow) said there had been no vestige of democracy in Iran over the past generation. The Iranian people had the same right to demonstrate for democracy and improved conditions as anybody else.

Dr. Owen defended recent arms sales to the Shah, but said the Government had made a secret of its reservations about human rights in Iran.

"We must not blind ourselves to the fact that some of our criticisms have been taken account of," he added. "The danger at the moment is of anarchy chaos."

Mr. Alex Lyon, Labour MP for York, claimed it was widely believed, and resented, in Africa that Dr. Owen was trying to instal Mr. Joshua Nkomo as President of Zimbabwe (the African name for Rhodesia).

He was convinced that the whites were losing the war in Rhodesia, and that the internal African leaders had lost most of their support, which was now going to Mr. Robert Mugabe, leader of the Zimbabwe African National Union, Mr. Lyon added.

A STONE-WALLING response came from the Government in the Commons yesterday when Tory MPs pursued the demand for an inquiry into how a confidential Treasury document on the proposed European Monetary System reached the hands of Mr. Brian Sedgmore (Lab, Luton W.).

The issue was raised by Mr. Hugh Dykes (Cons, Harrow E.) during questions about a report recommending changes in the procedure of the Commons. But Mr. Michael Foot, the Leader of the House, refused to be drawn into any immediate comment.

"I don't think this issue arises on this question," he insisted. Mr. Dykes claimed that Mr. Sedgmore, a prominent Left-winger and Parliamentary Private Secretary to Mr. Anthony Wedgwood Benn, the Energy Secretary, "passed round" the Treasury document—which outlined possible effects for Britain of joining the EMS—at Friday's sitting of the Commons Expenditure Committee.

In calling for an investigation, he echoed the demand made by Mr. Ian Stewart (Cons, Hitchin), who serves with Mr. Sedgmore on the Expenditure Committee, in a letter to the Prime Minister.

Mr. Foot was more forthcoming in promising a debate on the Procedure Committee's report to enable the House to consider the recommendation that the Select Committee system should be strengthened to allow all the activities of the Government to be monitored department by department.

But he again made clear his strongly-held view that the Select Committees should not be developed to a point where they might call into question the dominant role of the House of Commons itself.

Mr. Foot emphasised that the proposition that every Government department should be "shadowed" by a Select Committee would require very

careful consideration by the House. Mr. Frank Hooley (Lab, Sheffield, Heeley) intimated that radical changes in the procedures of the Commons were overdue, and he called on Mr. Foot to put aside his "medieval prejudice" and give positive support to the procedure committee's recommendation.

Mr. Foot retorted that Mr. Hooley was attempting to prejudice the debate. "I repudiate any suggestion that my views on this matter are medieval."

"It is just that I am very doubtful whether we should seek to graft upon this House the methods of government which they have in the U.S."

Replying to Mr. Francis Pym, shadow Leader of the House, he agreed that MPs should have an opportunity to express a view on other important recommendations made by the committee, including possible new procedures for dealing with EEC business.

## £85,000—for devolution

BY PHILIP RAWSTORNE

THE LABOUR Party is planning to allocate £85,000 to its devolution campaign next year in Scotland and Wales.

The party's organisation committee yesterday asked for £50,000 from Transport House funds for Scotland and another £35,000 for Wales.

Some of the cash will be used to finance the campaigns for a "Yes" vote in the March 1 referenda on the Government's devolution plans.

The rest will be used in the Assembly election campaigns that will follow later in the year if the Government gets the 50 per cent vote it needs in the referendum.

This commitment to ensuring the introduction of the devolved governments in Scotland and Wales is likely to secure financial support for the Government of the Nationalist MPs in the Commons.

Labour's organisation committee decided to send the party chairman, Mr. Frank Allaun, the newly-elected committee chairman Mr. Eric Heffer, and the national agent, Mr. Rex Underhill, as a "peace mission" to Stockport South Labour Party.

The constituency party has been bitterly divided by the selection as its General Election candidate of Mr. Tom McNally, special adviser to Mr. James Callaghan.

Mr. Anthony Wedgwood Benn, Energy Secretary, last night reinforced Labour Party pressures on the Government to legislate for State funds to finance election campaigns by political parties.

Ministers are at present considering whether some financial aid should be given to parties for the European elections next year.

During a discussion of the EEC elections by Labour's organisation committee last night, Mr. Benn moved that the party's national executive should be

recommended to ask the Government to introduce legislation covering state aid for all election campaigns.

Mr. Benn's motion was passed by eight votes to four, and will be considered by the national executive later this month.

However, Mr. James Callaghan, the Prime Minister, seems unlikely to offer any concessions to the demands. Ministers are divided on the issue and the Conservatives are adamantly opposed to State aid for political parties.

## Call to buy British cars

THERE ARE too many foreign cars in the House of Commons car park, Mr. Gwilym Roberts (Lab, Cannock), claimed yesterday.

Mr. Roberts, who drives a British-made Allegro, will next week ask Mr. Eric Varley, Industry Secretary, to issue "further guidance" to public and private industry and individuals on the need to buy home-produced goods.

"MPs in particular should play their part by buying British cars and not foreign ones," Mr. Roberts added.

Mr. Roberts has been told by Mr. Alan Williams, Minister of State, Industry, that existing raw materials and goods associated with the international defence budget, Government departments obtain only 5 per cent of their requirements from overseas and the nationalised industries import only 31 per cent of their supplies.

"These figures for the public sector are quite impressive," Mr. Roberts said. "But I am sure they are not matched by private industry which should be brought into line."

## Stay indoors, Tehran Britons told

BRITONS in riot-torn Tehran were "at little risk", but had been advised to stay indoors, Dr. David Owen, Foreign Secretary, told MPs.

He also warned that the situation was changing all the time and could deteriorate. The British Ambassador was close to the touch with the 10,000 British subjects in Iran—most of them in Tehran.

In a Commons statement, Dr. Owen said that British staff in the UK Chancery building, in the centre of Tehran, had not been maltreated, there was no physical violence when the building was set on fire.

"We are now back in contact with our Embassy and will remain in close touch with them throughout this difficult period."

## Anxiety

Dr. Owen recalled that, in announcing the establishment of a military government, the Shah had pledged that "after the restoration of order and peace, a national government to establish fundamental freedoms and hold a free general election, will be appointed as soon as possible."

Dr. Owen commented: "It is vital to make progress towards this end while avoiding the establishment of continued military rule or inducing further bloodshed and a state of chaos."

Mr. Francis Pym, acting Tory spokesman on Foreign Affairs, said: "Iran is a close friend of Britain, so it has therefore obviously caused the whole House considerable anxiety."

Stability in Iran "is very much to Britain's interest and in the interest of the whole

western world. The reasons go a good deal wider than the oil supply factor."

Mr. Pym asked Dr. Owen if he had made any contingency plans for "the safety and protection of the British citizens, if necessary, and could deteriorate."

He also asked for a British Ambassador's fuller statement later this week.

Dr. Owen agreed that stability in Iran was in the interest of Britain and the Western world. "More importantly, it is in the interest of the Iranian people. They will wish to form a conclusion as to their destiny."

"I hope the elections promised in August will in fact be held in June, if not before."

Mrs. Gwyneth Dunwoody (Lab, Crews) asked Dr. Owen to impress on the Shah the importance of "true democracy" in Iran.

The Foreign Secretary said the Government had always supported Iran's modernisation and liberalisation programmes. The gap between the rulers and the ruled had grown in Iran over the years. "I believe the Shah is very conscious of the need to close it."

Dr. Owen told Mr. Peter Temple-Morris (C, Leominster) it was important to try to avoid discussion of personalities. "The issues are the principles. In this House we are committed to the freedom of the individual and would like to see fair and free elections."

Mr. Temple-Morris: "The best hope of liberalisation in that country remains now with the Shah and what he hopes to do—if his people will allow him to do it."

## Important

Dr. Owen told Mr. David Watkins (Lab, Consett) that the one extremely important thing was that Britain should not become involved in Iran's internal politics.

Mr. David Price (C, Eastleigh) praised the "tenacity and courage" of the British Embassy staff in Tehran, and called on Dr. Owen to instigate an inquiry within the Foreign Office into the security of British embassies around the world.

Mr. Peter Tapsell (C, Horn-castle) asked whether measures had been considered in the event of interruption of oil supplies from Iran.

Dr. Owen told him there had been discussions in the OECD and the European Community about arrangements, should a "serious disruption" of oil supplies occur.

Some disruption had already

taken place, but not enough to justify special arrangements. A lot would depend on what happened in the next few weeks.

Dr. Owen faced criticism from some Labour MPs for the support the Government had offered to the Shah.

Mr. Martin Flannery (Lab, Hillsborough) said that the Embassy had been attacked because of Britain's defence of the Shah, the leader of a bloodstained tyranny.

Mr. Stan Newens (Lab, Harlow) said there had been no vestige of democracy in Iran over the past generation. The Iranian people had the same right to demonstrate for democracy and improved conditions as anybody else.

Dr. Owen defended recent arms sales to the Shah, but said the Government had made a secret of its reservations about human rights in Iran.

"We must not blind ourselves to the fact that some of our criticisms have been taken account of," he added. "The danger at the moment is of anarchy chaos."

## Monetary policy 'starting to crumble'

BY RICHARD EVANS, LOBBY EDITOR

EVIDENCE was now mounting that the Government was in danger of losing control over its monetary policy, and Ministers would shortly have to take action to restrain monetary growth, Mr. John Biffen, Conservative MP for Oswestry, claimed last night.

He forecast that action which could involve a combination of curbs on public spending, increased taxation and an increase in Government interest rates,

would be falsely blamed on policy that "is beginning to crumble."

Speaking at a Commons dinner, Mr. Biffen, one of the most respected economic commentators on the Tory benches, gave four pieces of advice to the Prime Minister:

First, to stop playing the old politician's incomes policy trick of blaming others for the Government's own problems of economic management;

Second, he should require every spending department, except only for Defence and the Home Office, to prune their estimates for 1979, and there should be no legislation to provide additional finance for the National Enterprise Board.

Third, he should make use immediately of the regulator to raise revenue from alcohol, tobacco and petrol.

Fourth, he should seek to balance his spending and revenue in such a way that the country could look forward to lower rather than higher Government interest rates.

Mr. Biffen argued that sooner or later, the Government would be obliged to take action. The sooner "even this fake-end Government" addressed itself to these problems in their own right rather than casting around for scapegoats, the better it would be for everyone.

Left-winger attacks 'miserable 5%'

THE GOVERNMENT'S "miserable 5 per cent pay policy" came under fire from Labour Left-winger Mr. Dennis Canavan, MP for West Stirlingshire, in the Commons yesterday.

He complained that the Government had approved a 31 per cent salary increase for senior officials such as army officers and chairmen of nationalised industries.

He urged the Government to give a firm commitment to the civil service unions that it would accept the findings of the Civil Service pay research unit, "rather than impose the miserable 5 per cent limit on thousands of ordinary workers who make up the backbone of the public services in this country."

Mr. Charles Morris, Civil Service Minister, said the Government would consider the report which was expected in the next few weeks.

## TWA Confirmed reservations to San Francisco £229 return.

Why risk a lot of hassle with "walk-on" single fares when, for just a few pounds more, we can give you reserved space—both ways—on any TWA flight. All you have to do is book at least 21 days ahead and stay in America between 7 and 60 days. Ask your travel agent about TWA Super Apex fares.

TWA carries more scheduled passengers across the Atlantic than any other airline.

**TWA No.1 across the Atlantic.**

## Now save even more copying time and money with the new Océ 1700 range. Here's how:



Now the Océ 1700 is a complete range to give you more choices to suit your particular copying needs. This system also saves you hours of wasted secretarial and clerical time.

## Océ 1700

The Océ 1700 is the classic in its field—gives you high-quality copies regularly and needs very little maintenance and service.

## Océ 1700 with document feeder

The Océ 1700 is a fast copier turning out up to 37 copies per minute. The Océ 1700 with document feeder speeds things up even more... you save up to 10 seconds per original and you're always sure your original is placed correctly on the machine. No more crooked copies.

## Océ 1700 with choice of sorter

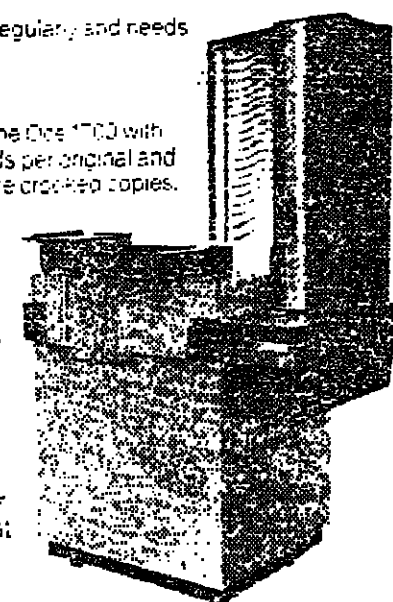
Another big time- and money-saver is the Océ 1700 with sorter. You have a choice of either a 20-bin or a 30-bin sorter—both easy to operate and as reliable as the very reliable Océ 1700 itself. Normally, it would take a secretary two or three hours to collate 30 copies of a 40-page document by hand. Collating with the Océ 1700 with sorter requires no time at all. The sorting is finished when the copying is finished. Over a period of a year this time saving adds up to a sizeable amount of money.

## Océ 1700 with document feeder and sorter

When you order the Océ 1700 plain paper copier with document feeder and a sorter you have chosen a complete, new, kind of copying flexibility that gives you quality, speed and reliability while saving you time and money.

Makes sense, doesn't it.

For more details contact: Océ-Skycopy B.V., 4-12 New Oxford Street, London WC2A 9EG. Telephone 01-405 8444



Océ is sensible copying. Océ



# The size of the dollar drop

BY SAMUEL BRITTON

EVERYBODY knows that the dollar has fallen in value, but the question is by how much? Everything depends on which index you use. It is no use looking at the dollar-sterling rate, because that reflects the performance of sterling as well, and both currencies have been weak at different times in the last few years.

The obvious course is to go for the "effective" rate, based on a weighted average change of the dollar against a basket of currencies. But this is not as easy as it may seem. The most widely quoted weighted average is the Morgan Guaranty Index, which showed on November 2 a drop in the dollar of 10.4 per cent compared with its level at the time of the Smithsonian Agreement of December 1971. But if instead you had looked at the Bank of England index based on IMF weightings the dollar would have shown a drop of 17.3 per cent.

## Indices

Both indices showed that most of the fall had taken place since the middle of 1977—until then the dollar had been astonishingly stable. But it is important to have some idea of the size of the fall. The available figures are not helped by the availability of a third high prestige index, the dollar against IMF Special Drawing Rights (based on a negotiated set of international weights) which showed a still larger drop in the dollar—some 16.5 per cent.

The reason why the Morgan Guaranty Index has always given such a modest impression of the dollar's decline is that it is based on a set of "bilateral" weights reflecting the importance of countries as trading partners of the U.S. The weights were published in Morgan Guaranty's *Financial Markets* of May 1978. A weighting of 39.2 per cent is given to the Canadian dollar, which has also been in trouble and has fallen relative even to the U.S. currency.

Canadian dollars are important for the U.S. and one cannot say that the weights are in any sense wrong. But clearly a Kuwaiti wondering whether to diversify out of dollars will not be inclined to give it the same weight as even a European trader trying to take a view. On many indices the Irish pound has depreciated much less than the UK pound—even though the two have been rigidly linked and are for some purposes interchangeable.

The same issue of *World Financial Markets* contains another column of figures, giving a set of "multilateral weights."

## System

The IMF Bank of England system of weighting is the most theoretically ambitious. It is based on a theoretical calculation of the trade effects of a 1 per cent uniform exchange rate change by any one country against the rest of the world, as would occur under a fixed rate system with no other countries following the one that moves. Any set of changes which would produce similar effects in the world in which we live is taken to be equivalent to 1 per cent. (This is a simple explanation—the technical details are highly complex.) Even the IMF system gives Canada considerable weight (18.5 per cent) in the calculation of the effective dollar rate. The figures in the Bank of England Bulletin for March 1977.

The London Business School, which has an index closely related to the IMF one, has been tempted to recalculate it, excluding Canada. Purists may object: but the result shows a drop of a further seven points as a result. Applying the adjustment roughly to the November 2 rate, the Bank of England index would have shown a depreciation of 24 per cent rather than the 17 per cent which it actually recorded—compared with the Smithsonian level.

All these indices relate a country's exchange rate to other main industrial countries. They are basically constructed as an aid to the measure of international competitiveness. None of them may be particularly well designed to measure the effects on import prices and on the domestic price level. Neither the IMF/Bank of England weights, nor either of the two Morgan Guaranty sets take the primary producers or the oil exporters into account.

Yet if one believes that most of the effects of depreciation on competitiveness are soon eroded, then the lasting effects will be on import prices and the internal price level. We may all be discovering this in a practical way when OPEC looks at oil prices, again in the light of the depreciation of the dollar.

NO WINE, surely, is more uncertain in its development than claret. Others, such as burgundy, vintage ports, and even German wines pursue a course that is reasonably consistent. It is to some extent a foregone conclusion that it may not be possible to pinpoint when they will reach their peak, and how finally they will rank on the vintage charts, but in general they follow a steady path.

Not so claret. As silk purses are still not made out of sow's ears, so the lesser reds of claret are unlikely to blossom out into grands crus: nor will they generally keep as well as the finer chateaux wines, though these may turn out more wayward. That, no doubt, is to many the fascination of claret. Wines forward and easy to drink one year may seem closed up and dumb the next, and they may appear to develop unexpectedly quickly. Examples of temporary recession have been the '69s, '70 and more recently the '73s. All seemed reasonably "open" when young, and then "went into their shells." Will the more supple '76s go the same way? Examples to me of accelerated development have been the '87s and '71s.

Yet a distinguished Bordeaux merchant has just told me his theory: after wines of good vintage have been in bottle for

St-Emilion and Pomerol in the latter.

I may add first that this tasting is a good deal more than a wine, though Lafite and Haut-Brion were well above average. Latour, possibly in a bad patch, seemed to be less than its usual big, fruity self. Others that stood out for me were Leoville-Las-Cases, Ducru-Beaucallou,

Of the firsts, I particularly liked Petrus and Cheval-Blanc, as they had found a way of making the left-bank wines, though Lafite and Haut-Brion were well above average. Latour, possibly in a bad patch, seemed to be less than its usual big, fruity self. Others that stood out for me were Leoville-Las-Cases, Ducru-Beaucallou,

remain very closed up, hard and tannic, having reached the stage at which though not very agreeable, their future potential can be seen. Latour, with its huge colour, powerful nose and body is a whopper, while Haut-Brion, La Mission-Haut-Brion and Pape Clement are all big distinguished wines, with real Graves flavour. Ducru-Beaucallou is a big, fruity, backward St-Julien.

Pichon-Lalande and once again Ducru-Beaucallou.

1972 Those that I sampled and hastily sipped still seemed disagreeably acid, and if one or two were less hard than others for instance Latour—I personally cannot say more than that.

1971 All I tasted seemed charming, easy-to-drink wines. To avoid repeating names more than necessary, I would say that the Forts de Latour, the second wine of Latour, was exceptionally round and well-balanced and more forward than the grand vin. I also enjoyed Grand-Puy Lacoste and Palmer, while perhaps the outstanding wine of the vintage is the deep-coloured and with more body than others now showing a little-tale brown tinge. But see the distinguished wine merchant's view above.

1970 Unfairly good, so far as the half-dozen I tasted were concerned, with big colour, rich, fruity bouquets and lots of body and flavour. Among them Ducru-Beaucallou stood out and so did Figeac and Pex.

Such was the state of play as seen in a necessarily limited way just before the recent vintage, but I trust that nothing written here will be taken down in evidence against me!

## WINE

BY EDMUND PENNING-ROWSELL

not claim that. Nevertheless a few personal impressions of the vintage of the 1970s may be of interest. They are given "with all faults."

1977 More than 30 were tasted, including all the firsts, second and third growths except Margaux and Mouton-Rothschild. The latter I had sampled on an earlier visit. The wines have good colour, often a fruity bouquet, but I found a definite bitterness in most, stemming from the incompletely ripe grapes picked late after a dreary summer. Those chateaux that made a careful selection probably produced the best wine. For example Cheval-Blanc made only 20 tonnes of wine, and Ducru-Beaucallou 100 of grand vin, instead of up to 150

Beychevelle, Lynch-Bages, Palmer, Pex, Evangile, La Fleur-Petrus, Pavie and Canon.

1976 Recently bottled for the most part and difficult to taste. Some, including Latour, La Mission-Haut-Brion and Palmer, were thus not available. However others promised well, with fine "claret" aromas, and fruity well-balanced flavour. The list of those I liked would be too long to reproduce, but they covered to some extent all the main districts, except the Graves, restricted to Haut-Brion, so to most of the growths mentioned above for their '77s. I would add for '76s Figeac, Rausan-Segla, Duhart-Milon, Nenin and La Gaffeliere.

1975 Most of the few I tasted

# Pluvial is an untropical nap in Ticehurst Stakes today

IN VIEW of the continuing absence of rain in the south of England, Pluvial is racing decisively over today's distance. Carson rides him again.

In fact, Carson, already assured of the jockey's championship, looks to be the man to follow at Leicester. He partners Coyote, runner-up to La Pythie at the last meeting here, in Div. 1 of the Hoby Maiden Stakes; Lady of Man in the Tugby Handicap; and Pretty Prompt in the Autumn Claiming Stakes.

After a promising first run at Newbury, she finished a good third to Celtic Halo and Saturday's easy Haydock winner, Hadon, at Ascot at the end of September, and was then second of 16 to Explosiva at Warwick. The sharp track at Linsfield will suit her, and I expect her to lead all the way.

There is an adage that in the absence of inspired information, it is sound policy to support top weights in nursery handicaps. It was here, after 10 weeks

absence from the racecourse, that Morse Code, ridden by W. Carson, won the 1250m Handicap decisively over today's distance. Carson rides him again.

In fact, Carson, already assured of the jockey's championship, looks to be the man to follow at Leicester. He partners Coyote, runner-up to La Pythie at the last meeting here, in Div. 1 of the Hoby Maiden Stakes; Lady of Man in the Tugby Handicap; and Pretty Prompt in the Autumn Claiming Stakes.

After a promising first run at Newbury, she finished a good third to Celtic Halo and Saturday's easy Haydock winner, Hadon, at Ascot at the end of September, and was then second of 16 to Explosiva at Warwick. The sharp track at Linsfield will suit her, and I expect her to lead all the way.

There is an adage that in the absence of inspired information, it is sound policy to support top weights in nursery handicaps. It was here, after 10 weeks

## RACING

BY DARE WIGAN

### LINGFIELD

2.00—La Pythie  
2.30—Faringdon Bell  
3.00—Mr. Fordette  
3.30—Pluvial\*\*\*  
4.00—Oldfuff

### LEICESTER

1.15—Lancaster  
2.15—Lady of Man  
2.45—Morse Code\*\*  
3.15—Pretty Prompt  
3.45—La'don

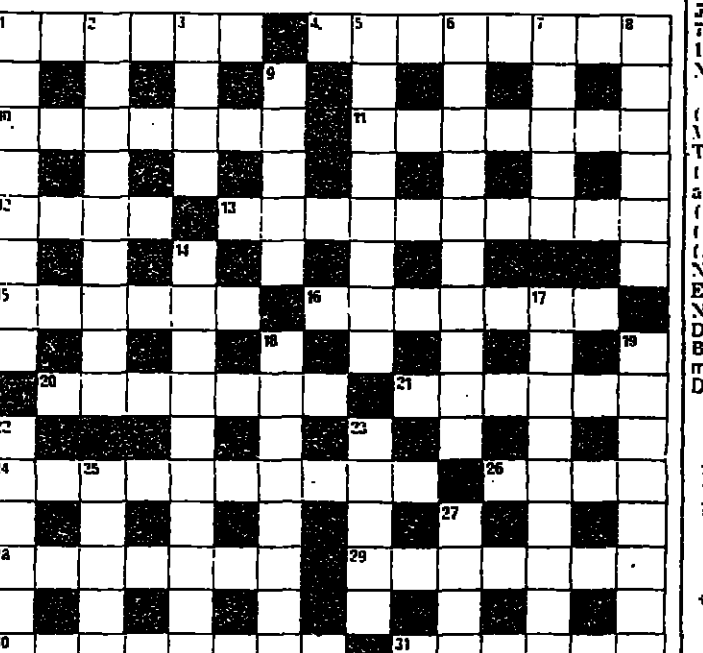
## TV/Radio

† Indicates programmes in black and white

### BBC 1

9.25 am For Schools, Colleges.  
12.45 pm News, 1.00 Pebble Mill.  
1.45 How Do You Do? 2.00 You and Me, 2.15 For Schools, Colleges, 2.30 Popol y Cwm, 2.55 Regional News for England (except London), 3.55 Play School (as BBC2 11.00 am), 4.20 Deputy Dawg, 4.25 Jackanory, 4.40 Screen Test, 5.05 John Craven's

### F.T. CROSSWORD PUZZLE No. 3,816



- ACROSS
- 1 Recompense for communist accepting war (6)
  - 4 Mode of transport supplied by Celtic (8)
  - 10 How about director returning is disgusting (7)
  - 11 Enchantment from note the French love (7)
  - 12 Set off in garden but (4)
  - 13 What birds have that is an indication of being cold (5)
  - 14 Tradesman who puts out his hands (6)
  - 15 Announce it could be cleared (7)
  - 20 Fish out in wing (7)
  - 21 Deliver plaster (6)
  - 24 Domestically meticulous with audience swelling (5)
  - 25 Cut and reverse fasteners (4)
  - 26 Moon about three-quarters full in a way but it's sheepish (7)
  - 29 Extended silver ring in the distant past (3)
  - 30 Sent abroad wine! Indeed? (8)
  - 31 Star goes round to create part with no movement (6)
- DOWN
- 1 Telephone the team for a good set (5)
  - 2 What detergent manufacturers claim could be utter defeat (8)
  - 3 The place to bring up a Maurelman? (4)
  - 5 Stop and curl (5)

- 11.25 Weather: Regional News  
AU Regions as BBC1 except at the following times:  
Wales—10.00-10.20 am 1 Ysgollon  
5.55-6.30 pm Wales Today, 6.50  
Heddiw, 7.10 Popol y Cwm, 7.40-  
1.15 am Airtel, 1.15-1.25 am News,  
Dechrau Siarad, 11.35 News and  
Weather for Wales.  
Scotland—5.55-6.20 pm Reporting  
Scotland, 6.30 Tom and Jerry,  
6.55-7.20 Ballad Folk, 10.20-11.10  
Tuesday Night, 11.25 News and  
Weather for Scotland.  
Northern Ireland—3.00 pm  
Rusby: Ulster v New Zealand,  
4.00-4.12 Northern Ireland News  
teletext, BBC1, 4.15-4.25 News,  
5.55-6.20 Scene Around Six, 6.50-  
7.20 Children and Their Music,  
11.25 News and Weather for  
Northern Ireland.  
England—3.55-6.20 pm Look East  
( Norwich ), Look North ( Leeds,  
Manchester, Newcastle ), Midlands  
Today ( Birmingham ), Points West  
( Bristol ), South Today ( South-  
ampton ), Spotlight South West  
( Plymouth ), 6.50-7.20 East  
( Norwich ), Spot West Midlands  
( Birmingham ), Pottery Potter  
( North ), LifeLines: North  
East ( Newcastle ), Tuesday North  
( North West ), Manchester Sit Sit  
( Greater South ), Southampton: The  
Brain Games, South West ( Ply-  
mouth ), Peninsula, West ( Bristol ),  
Day Out.

- BBC 2
- 9.20 am CBI Conference  
10.20 Working for Safety  
11.00 Play School  
11.25 CBI Conference  
2.30 pm Teatime Ltd  
2.50 Film as Evidence  
3.20 The Living City  
5.25 News on 2 Headlines  
5.40 Laurel and Hardy Show-  
cases: Live Ghost  
6.00 The Making  
6.20 Dime  
6.45 Mid-Evening News  
6.50 Empire Road  
7.20 The Birdie Fall Down  
8.05 My Kind of Movie: Hardy  
Amies on 'Far from the  
Maddening Crowd'  
8.10 Voyage of Charles  
Darwin

### Granada

1.20 pm This is Your Right, 5.10 What's  
New, 5.15 Granada News, 5.30  
News, 6.30 Emmerdale Farm, 7.00  
University Challenge, 11.30 Dan August.

### HTV

1.20 pm Report West Headlines, 1.25  
Report Wales Headlines, 2.00 Home-  
view, 2.20 News, 2.30 Report Wales,  
2.50 News, 3.00 Report Wales, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50  
Report Wales, 5.00 News, 5.10  
Report Wales, 5.20 News, 5.30  
Report Wales, 5.40 News, 5.50  
Report Wales, 6.00 News, 6.10  
Report Wales, 6.20 News, 6.30  
Report Wales, 6.40 News, 6.50  
Report Wales, 7.00 News, 7.10  
Report Wales, 7.20 News, 7.30  
Report Wales, 7.40 News, 7.50  
Report Wales, 8.00 News, 8.10  
Report Wales, 8.20 News, 8.30  
Report Wales, 8.40 News, 8.50  
Report Wales, 9.00 News, 9.10  
Report Wales, 9.20 News, 9.30  
Report Wales, 9.40 News, 9.50  
Report Wales, 10.00 News, 10.10  
Report Wales, 10.20 News, 10.30  
Report Wales, 10.40 News, 10.50  
Report Wales, 11.00 News, 11.10  
Report Wales, 11.20 News, 11.30  
Report Wales, 11.40 News, 11.50  
Report Wales, 12.00 News, 12.10  
Report Wales, 12.20 News, 12.30  
Report Wales, 12.40 News, 12.50  
Report Wales, 1.00 News, 1.10  
Report Wales, 1.20 News, 1.30  
Report Wales, 1.40 News, 1.50  
Report Wales, 2.00 News, 2.10  
Report Wales, 2.20 News, 2.30  
Report Wales, 2.40 News, 2.50  
Report Wales, 3.00 News, 3.10  
Report Wales, 3.20 News, 3.30  
Report Wales, 3.40 News, 3.50  
Report Wales, 4.00 News, 4.10  
Report Wales, 4.20 News, 4.30  
Report Wales, 4.40 News, 4.50



# The Management Page

## How Puch took the lead in the U.S. moped race

BY PAUL LENDVAI

WHEN, four years ago, Dr. Franz J. Liebenfro joined the Board of Steyr-Daimler-Puch, the largest non-nationalised Austrian company, he was a little-known figure in the country. Today, although still only 40, he is widely regarded as the man primarily, if not solely, responsible for the most impressive success story of Austrian industry in the United States: the emergence of Puch mopeds in less than two years as the absolute leader of the highly competitive U.S. moped market. Puch account for 35 per cent of total sales this year.

Dr. Liebenfro put forward a new sales strategy at a very critical stage in the development of this old-established company. In 1974-75 Steyr-Daimler-Puch was faced with a serious crisis in the two-wheel sector when Sears Roebuck, the U.S. mass merchandise chain, cancelled as of January 1975, its orders for bicycles. At that time they accounted for half of the output in Steyr's plant at Graz in the province of Styria. Oblivious of the trends indicating a change in consumer preferences, the previous management had been planning to double output of low-priced bicycles with two-thirds to be sold overseas.

### Approach

From the start, Dr. Liebenfro adopted a completely different approach: company resources should be put into knowledge-intensive branches to manufacture products of higher added value than bicycles. He was convinced that the company should move up-market and turn out both high-quality mopeds and also expensive, high-end bicycles of superior design and landlocked central European specification. He also felt that the only real growth prospects were to be found in the U.S. and Brazil.

He suggested a major entrepreneurial operation, in the French management school,

### STEYR-DAIMLER PUCH

THE company's turnover in 1977 was Sch 10.5bn (£388m) with a net profit of Sch 237m (£33m). Its own production was worth Sch 8.7bn (£222m) with exports accounting for 57 per cent. The company's basic capital of Sch 1bn (£37m) was raised in February to Sch 1.2bn (£44m). In 1977 the labour force was 16,926.

Sales of commercial vehicles and agricultural machinery in 1977 totalled Sch 4.3bn (£159m), two-wheel and cross-country vehicles Sch 2.3bn (£85m) and ball and roller bearings Sch 1.6bn (£59m). The company also manufactures rifles, ammunition and light tanks, and is Fiat's chief representative in Austria.

Major foreign ventures include lorry and tractor plants in Greece and Nigeria (now being erected), co-operation with Daimler-Benz, Klockner-Humboldt-Deutz and BMW in producing cross-country vehicles and diesel motors. The company also has a long-term sales and technological co-operation agreement with Pol-Mot, the Polish state foreign trade agency.

United States and put forward the name of Mr. Robert Yung, BASF, the vast West German chemicals company. Following a two-year spell at the head office in Ludwigschafen, Dr. Liebenfro spent eight years in the United States, rising finally to the post of a vice-president in charge of system analysis and corporate planning. Although his main job is a member of the Board of the parent company in Vienna, it was his background that helped him in his capacity as chairman of the Board of Steyr of America to find the top management of the right style and quality for a sophisticated operation. He believes that the success of the company depends not only on structure and organisation but above all on the motivation of people who work in it. The initial impulse came from him—but the breakthrough in only two years to the pre-eminent position in an expanding American market would have been impossible without an able and dedicated team on the spot.

Robert Yung has a somewhat unusual background. Born in Peking in 1934, he was educated at MIT and in Paris, and ran the remnants of his family's textile empire in Hong Kong before working as a consultant in Germany—where he met Dr. Liebenfro. His current team in the U.S. includes two vice-presidents in charge of finance and the firearms division respectively, along with some others who were "lured" by Dr. Liebenfro from BASF. He also has a handful of sales, marketing and other executives who were working previously for major competitors, such as the French Motobécane or for large chain stores.

The Liebenfro-Yung duo managed to attract key people because they found the Puch experiment "immensely exciting," Mr. Yung faced the prob-

lem of market penetration which had to be achieved with a vehicle virtually brand new to the U.S. Knowing your competition in the take-off stage was evidently one of the keys to a successful market strategy.

"It was better to start from scratch because we could shape the company better and were able to adapt quickly to changes in legislation. The product quality was right for identity but at the same time identity was not strong enough to attract enough consumers. Thus we had to establish credibility for the 'Made in Austria' label," Mr. Yung says.

From the start Mr. Yung and his associates have put the emphasis on talking to dealers, finding the gaps in the markets and providing a comprehensive and flexible dealers' support programme. "Our experience shows that marginal changes in selling prices could not offset more fundamental competitive disadvantages. Our sales upturn has been primarily due, on the one hand, to the right production mix at the right time, and on the other to the computerised parts delivery system and an extensive dealers' support programme," he adds.

There is surprisingly close contact between the regional outposts and important dealers and the top men in the U.S. head office in Greenwich, Connecticut. Puch models are compared objectively with competitors and the latest dealers' handbook admits that they ran short of stocks in late 1977 and had to fly in extra models to meet the Christmas demand. The company also flew in technicians and retro-fit kits from Graz to meet speed requirements for mopeds which differ from state to state.

The U.S. Department of Transportation's National Highway Traffic Safety Administration established a separate category for mopeds and removed them from the motorcycle category in September 1974. The moped is therefore a relatively new product in the U.S.

Steyr of America was second to none in expanding a dealers' network in line with the growing number of states which passed legislation about the use of mopeds, even though the regulations varied from one state to another. By the end of 1975, nine states allowed the use of mopeds—Steyr had only 50 dealers. One year later the number of states passing laws on mopeds rose to 20 and Steyr dealers rose to 500. In 1977 there were 1,200 dealers operating in 33 states, and by the end of this year there will be some 2,000 Puch dealers in the 40 states which are expected to have sanctioned the use of mopeds.

A highly targeted distribution strategy based on three self-con-



Dr. Franz Liebenfro (left) and Mr. Robert Yung, respectively chairman of the Board and president of Steyr of America.



tained regional offices and supply centres in Jacksonville, Florida, Chatsworth, California and Grand Rapids, Michigan, was another important factor assuring Puch's success.

In 1975 the U.S. market absorbed 25,000 mopeds—Steyr-Daimler-Puch sold a mere 175 units. By 1976 total sales in the country reached 80,000 with Steyr's Puch models accounting for 17,000. 1977 was a year of further expansion with 175,000 units sold in the U.S. as a whole and Puch reporting 51,000 mopeds on the roads. This year sales are expected to jump to 120,000 accounting for 35 per cent of the U.S. market. It is forecast that by 1980 the number of mopeds in use may well reach 1m. and about 1.5m to 2m units, in the next five years.

The Steyr management, however, is well aware that powerful competitors such as Motobécane and Peugeot (France), Batavus (Netherlands), Agrati-Garelli and Piaggio (Italy), and Honda (Japan) are emerging in full force and planning to set up production plants.

An investigation of the "buyer profile" has revealed that the average buyer going to a dealer is 41 years old, has an average income of \$25,000 plus and uses mopeds mainly for leisure. The buyer of a moped sold through mass merchandise is 34 years old, has an average annual income of \$18,000 to \$25,000 and buys mopeds for supplementary transport plus pleasure.

Surveys indicate that in the U.S. the moped will enjoy its biggest popularity as a basic personal short-haul transportation vehicle because of its economy and practicality.

This is one of the reasons why Steyr-Daimler-Puch earlier this year signed a pioneering

three corner deal with Murray U.S. venture by Mr. Michael Malzacher, chairman and director general of the parent company, and the direct involvement of the company's majority shareholder, Creditanstalt Bankverein, helped to motivate the men in the American outposts with Steyr providing posts.

The Steyr Daimler Puch concern has an annual turnover of £400m and its plants, employing more than 17,000 people, turn out a variety of products, ranging from lorries and tractors to precision rifles, ball bearings and cross-country vehicles. Mopeds with estimated total sales of £50m to £55m this year, have emerged as the second most important activity.

### Factors

Several other factors also contributed to Puch's success story. "You are not just a number, you are involved personally because the Austrian parent company appreciates your work," says Mr. David Beesley, who is general manager of the southeast division in Jacksonville, Florida, and in charge of the "Sun-Belt" states which comprise about 20 per cent of the U.S. population. He was previously running Volvo's operations on the East coast, in contrast to Mr. George Kauner, general manager of the western division, who was director of a small merchant bank in London dealing with corporate finance before joining Steyr.

Commenting on Steyr's American management, Mr. Yung says: "If you are to attract the right sort of men, you must give them responsibility for all aspects of their operations. Each regional office is a profit centre and is allocated an agreed level of working capital at the beginning of the new financial year. At the same time, top management knows that there is a relation between reward and performance. Full backing was given to the

## A greater role for buying

INSTEAD of being a Cinderella function, purchasing is increasingly being recognised as a major element in the efficiency with which a company operates, according to the British Institute of Management.

In its management checklist series, the BIM states that while production, sales and finance have long been recognised as key functional areas in the running of a company, usually having Boardroom representation, acknowledgement has only recently been given to the fact that purchasing also requires top management attention.

This recognition stems from an awareness of the major part purchasing can play in efficiency and the BIM sees three reasons for this change of emphasis. First is that management is increasingly aware that purchase of raw materials, components and services often accounts for a "very significant proportion" of total company expenditure, and in some instances it can be the largest element of production costs.

Secondly, a lack of continuity of production arising from ineffective purchasing can seriously affect all major company activities. It can also damage employee morale and, of course, profitability. Finally, the BIM suggests that purchasing staff increasingly regard themselves as professionals and are demanding recognition as such.

Sound production planning and the need to co-ordinate functional areas have led companies to see purchasing as a profit centre and it is evident that the availability of suitable finished products for the market is heavily dependent on effective purchasing, says the BIM. It adds that there are no simple solutions to achieving a higher degree of purchasing efficiency, but maintains there is a good case for reviewing not only the role but also the effectiveness of the function.

The checklist then goes on to suggest a whole series of questions which a company might ask itself to achieve this increased level of purchasing efficiency.

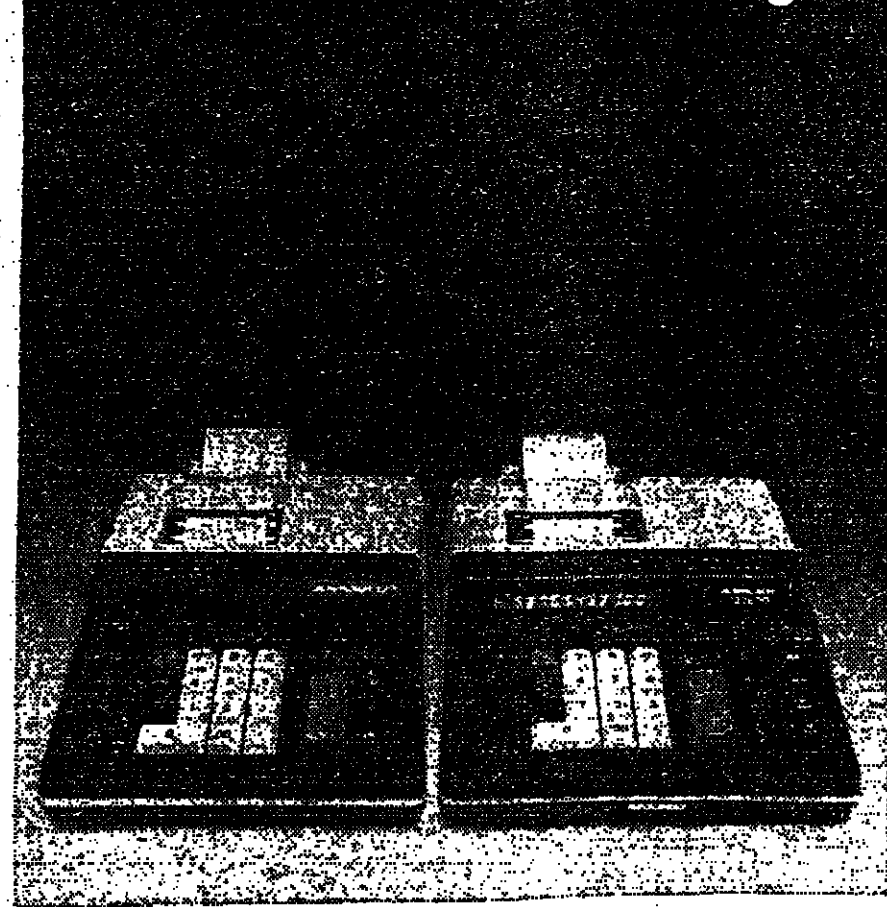
BIM Management Checklist No. 77: Managing Purchasing, available from BIM Publications Department, Management House, Parker Street, London WC2B 5PT.

**Managing Staff in the Bank**  
A residential course for bank management and bank personnel responsible for motivating others, previously conducted with considerable success for a number of large banks, is to be held at Bedford House Hotel (at the foot of Box Hill near Dorking, Surrey) for five days from December 3rd to 8th inclusive. The cost, including full accommodation and dinner, will be £350 + VAT.  
For further information apply to the Course Secretary, Noel Alexander Associates Ltd, 70 Queen Victoria Street, London EC4N 4JZ. Telephone 01-248 2256. Telex 8812705.

**CAN YOU AFFORD TO WAIT?**  
Measured and designed by hand and checked with CASE electronic systems. The only way to be sure of getting the best value for your money is to wait for the CASE calculator.  
C CASE

The Liebenfro-Yung duo managed to attract key people because they found the Puch experiment "immensely exciting," Mr. Yung faced the prob-

## Adler's new calculators Because it's time for a change.



Here's some very good news if you're putting up with a calculator that's not up to the job—or even a slow, old-fashioned adding machine. Adler's fine new range of printing calculators are specially designed to be easier than ever to work with. They have big, chunky keys and clear, easily read figures that help avoid the possibility of errors occurring.

Take the 1228PD—it features two true memories, large green display, fast printer with 3 digit grouping, two percentage keys, address of second memory by single depression of just one key and electronic interlock for erroneous entries.

Then the 12P, an electronic machine with a specially designed keyboard that's really easy to use and a large O—key within thumb's reach for fast sale touch operation.

These are just two from a range of Adler calculators that includes everything from compact models to sophisticated desk top machines.

All looking good, all giving you that important bit extra. And that includes the Adler reputation for reliability.



Adler & Co. Ltd, 12, Abchurch Lane, London EC4N 3JH. Tel: 01-407 3151. Please send me your brochure on Adler calculators.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_

## The foreign executive in London

DO YOU spend £2,496 a year on eating out? Is your annual expenditure on clothing £2,470, on leisure £3,684, on transport £2,089? Would you blanche at the thought of spending £10,149 on housing and £3,212 on household expenditure, or £1,924 on schooling? Do you spend £3,094 providing food and drink for yourself and family?

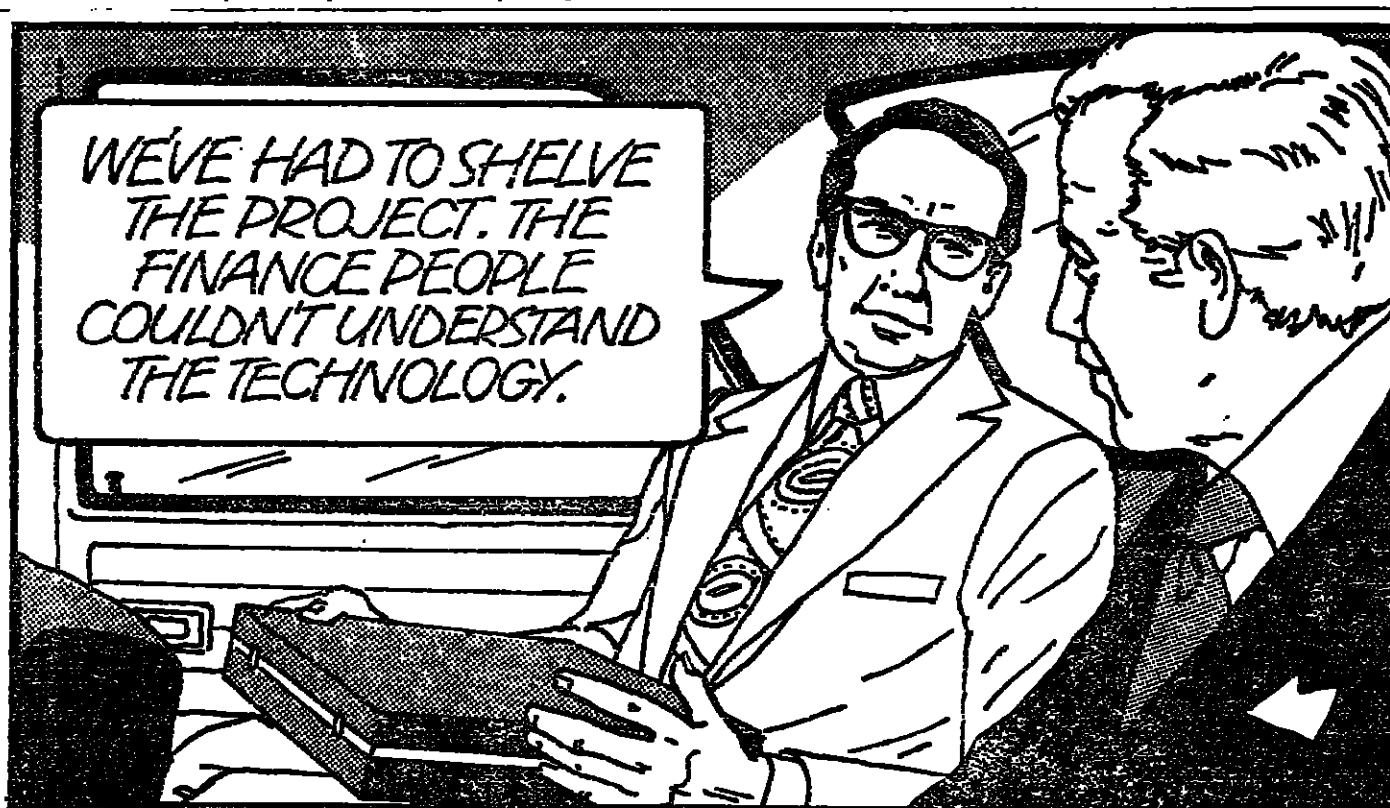
If the answer is not yes to all of these questions then you are not a top foreign executive living in London—because that is what he spends on average in a year, according to a survey published this week.

The survey was conducted by Lloyd Incomes Research to determine the cost of living for the typical top foreign executive. Seventy-five executives were surveyed who all earned £25,000 plus, were married with two school-age children and were living in London for at least a year. All had a full housing allowance from their employers, and 75 per cent had a company car or car allowance which reduces considerably their personal expenditure.

The cost of renting accommodation has either remained static or fallen (except in Putney) this year compared with last for top executives. This, says the survey, is because 1977 was Silver Jubilee Year and there are less Arabs renting in London this year.

The average executive featured in the survey eats out with his wife twice a week at a trattoria or bistro, once a week at a good restaurant and once a fortnight at a "stylish restaurant."

Copies of the report are available from Lloyd Incomes Research, 73-74 Brewer Street, London, W1, 5pp for £50.



## Call NRDC We talk your language

If you've got a good idea that's a genuine technological innovation, NRDC can shoulder half the risk by providing the finance for half the development and launching costs.

You don't have to pay a penny back until you start generating sales. And you stay in control throughout.

NRDC's money and technological backing could be yours for the asking. The very least we'll give you is a sympathetic ear and some

sound advice based on our great experience in technological innovation.

Contact the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Or better still, ring Brian Mann now on 01-828 3400.

**NRDC**  
Finance for innovation



## Construction: Bovis will show you the way

A piece of paper in front of you says "At a Board Meeting on 12th June it was agreed that a production facility in Kookistan should be operational by November 1980." And you hear your own voice agreeing to be responsible for it all.

So now all you have to do is find a site, arrange the money, choose a contractor, settle the design, arrive at some idea of the cost, decide on a time-table and methods of payment, and say, "Right, carry on".

Suppress that bubble of panic. Bovis International are here to do all these things for you, and more.

We provide a full service on all aspects of construction management overseas; and we can put our practical abilities at your disposal in any way you like, from providing a few key people to sending out a complete team.

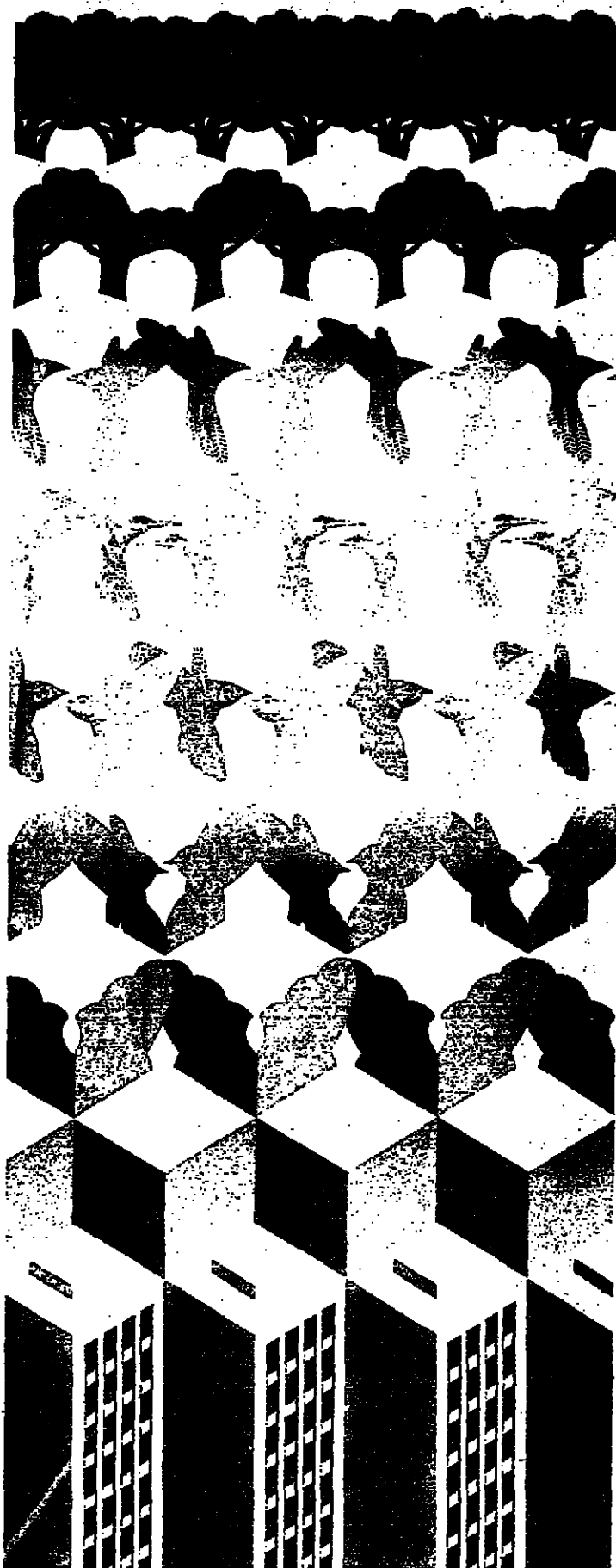
If your shoulders are even now bowed under some burden like this, telephone 01-422 3488 at once, and ask for Heather Bell. Tell her what you can, even if it's only the bare details. You'll be surprised at how much she'll be able to help you.

Bovis International, Bovis House, Northolt Road, Harrow, Middx. HA2 0HE. Tel: 01-422 3488. Telex: 922810. Please send me details of your services.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Tel: \_\_\_\_\_

**Bovis**  
a P&O Company

Fifty years of professional building 1928-1978



## Report from Number One Wall Street

Commitment: Key to all Irving's corporate banking services worldwide.

### At the highest levels.

"Our customers don't get lost in the labyrinth of an organizational chart," explains Cliff Whiteman, head of Irving's Domestic Corporate Banking Division.

"We respond quickly to a customer's needs because we know our customers and their activities worldwide, and they know whom to come to for a decision."

"Our immediate reaction here is to reach out for problem-solving specialists in any area of corporate concern. All it takes is a phone call."

Peter Palmieri, head of Irving's International Corporate Banking Division, has this to say about service. "Throughout the U.S. or anywhere overseas, we compete favorably with any major international bank in the quality of our services. Where we

take the lead is in the quality of our people. No bank has better people and this is the key to our success in serving customers."

**On the firing line.** At Irving, professionalism at the top results in high performance all along the way. Says Dick Pratt of Irving's International Corporate Banking Division, "When a company needs growth financing, for example, we just don't ask how much. We ask what for. By knowing the reason, we're often able to structure the kind of creative financing that means growth."

Dick Higley, who calls on Irving's U.S. customers, gives another example: "Recently, our foreign exchange specialists noted a favorable trend in a currency which one of our multinational customers wanted to hedge for-

ward. This was quickly brought to the company's attention, credit arranged on-the-spot by phone, and the transaction completed."

If personalized attention with professionalism is important to your company, then Irving merits important consideration.

Left: Dickson J. Pratt, Vice President, International Corporate Banking Division. Right: Richard G. Higley, Vice President, Domestic Corporate Banking Division.



**Irving Trust Company. Unique. Worldwide.**

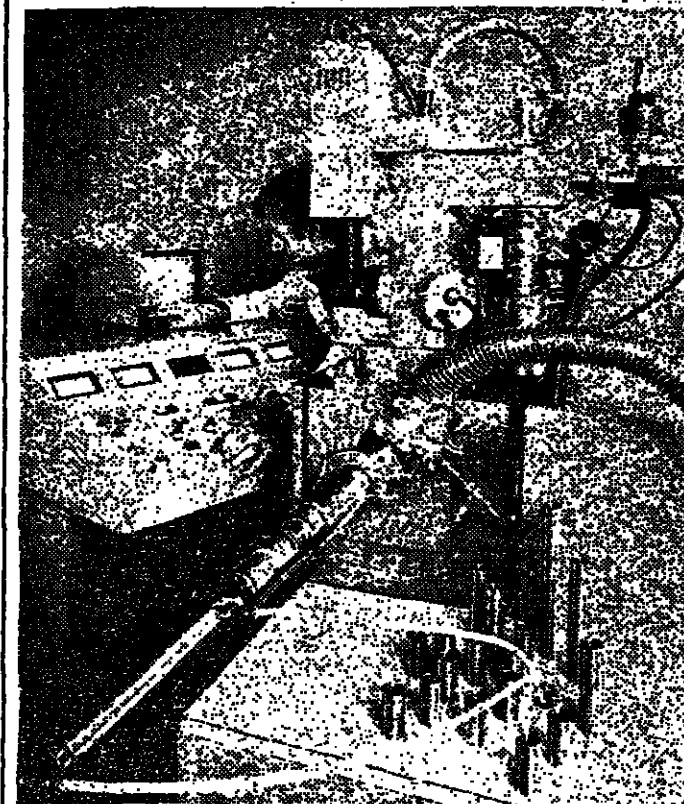
THE OFFICIAL BANK OF THE 1980 OLYMPIC WINTER GAMES. A CHARTER NEW YORK BANK. Offices in London, Frankfurt, Tokyo, Taipei, Singapore, Grand Cayman, Beirut, Buenos Aires, Caracas, Hong Kong, Manila, Melbourne, Paris, Rio de Janeiro, Sao Paulo, Zurich.

## Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTTELS

### WELDING

## Flow line working



One of the carriers for work to be welded can be seen at the entrance of the tube leading to the electron beam chamber in the centre rear of the photograph.

OFFERED FOR automating tube, the ends of which are at a distance of 100 mm from the electron beam welding machine. The system is said to be the first in the world that allows EB welding to be used as a true continuous flow line process.

It will ensure that the benefits of electron beam welding—fast welding speeds, minimal distortion and the ability to weld finished mechanical parts—can be applied on a massive production scale.

Wentgate Rapid Transfer System (RTS) has been proved reliable and efficient in extensive testing. The first system is installed at Wentgate's subcontract engineering sister company (VTP), where it is being used for welding high quality diesel engine parts.

RTS can be fitted to any electron beam welding machine, but can also be quickly dismantled so that the machine can revert to conventional use. Welding speeds are from 200 to 1,000 parts per hour depending on the size of component and weld. Both circumferential and linear welds are possible.

In the Wentgate unit, a series of component carriers is placed head to tail and pushed down a

path within  $\pm 0.002$  inches. Because of the high weld speed and positive arc striking, the unit lends itself to automatic loading and unloading systems.

The controller and the transducer are fully integrated and no information is lost due to the arc. The 100 per cent digital control ensures calibrating is never required and the response time of better than 0.001 second eliminates any vibration.

The initial design is by Dimerics of California represented by WELCA International UK, 7 Clifton Road, Huntingdon, Cambs. PE18 7EJ (0450 55671).

### METALWORKING

## Copper cast quickly

COMMERCIAL facilities for high pressure diecasting of copper have been established by GKN Ferro-Di. As far as is known, high pressure diecasting of copper is not available anywhere else on a commercial basis.

Many applications, particularly in the electrical components industry, are foreseen by the innovators. Electrical switchgear is one area which could benefit, says the company.

Some years ago, GKN overcame the problems of high temperature, high pressure diecasting in the range of 1,400-1,600 degrees C for steels. Developed by its centralised research facility in Wolverhampton, the Ferro-Di process was put into commercial operation at Redditch.

A recent development of the technique is diecasting copper into steel inserts placed in the dies in order to produce a dual-metal component. In other words, a structurally strong component of high electrical conductivity is possible.

GKN Ferro-Di provides full design and tooling facilities for both high pressure diecasting processes for copper and steel, including the Ferro-Di process. Patents, Lane, Moons, Moat South, Redditch, Worcs B98 0RA.

### PHOTOGRAPHY

## Electronic camera needs no film

DEVELOPERS OF a camera built to date, parameters for the camera have already been laid down and include that it will be light in weight, have no moving parts and be comparable in price to equipment of the same

High sensitivity with ability to take pictures in minimal light conditions will go hand in hand with electronic storage of the pictures taken and ability to have the shots displayed on a TV-type screen. The user then can reject those he dislikes and have the good ones printed out, either on a polycrystalline or turned into transparencies.

Mr Krall is the product line director for the company's closed circuit TV equipment. Several groups are developing the various components required for this unit, under Mr Krall's direction, the main task is translating the components into microcircuitry.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

### COMPUTING

## Maintenance on Zilog

NEWEST microcomputer company Zilog, about to clock up a fifteen-fold increase in sales in two years to \$25m, has decided to contract maintenance and repair to Mills Associates, a UK bureau and main frame maintenance company.

The microprocessor company's UK chief A. Piedra says that as the company's market interest begins to encompass commercial as well as industrial microcomputing, more and more emphasis will have to be placed on supporting the customer not only in terms of system hardware and software, but also repair and maintenance of the processors and their peripherals.

Zilog is now selling its microcomputers into many high volume business applications where the provision of a local maintenance service with fast response is becoming important. The company admits that until now this has not been available on the professional basis as it will in future from Mills. Equipment supplied by Zilog and its franchised distributors will be covered. Users will sign a standard maintenance contract.

Mills, a £1.5m turnover company, has built a considerable reputation in the repair and refurbishing of ICL 1900 mainframe machines and now has eleven locations geographically throughout the UK.

More from Mills Associates, Wotton Road, Monmouth NP5 4YE (0690 4811).

## Conserves software

THE OLD GE400 and Xerox Sigma computer mainframe base is being exploited in the UK and Europe by Telefile Computer Products, which will be offering an emulation product. Although GE has been out of the computer business for about seven years and Xerox for about four there are, according to Telefile, about 70 GE400 machines running in France and Germany and about 120 Xerox machines in Europe of which some 40 are in the UK.

The new products, so far as the

### COMPONENTS

## Crellon has approval

THE Microsystems division of Crellon Electronics has received official recognition as a category 1 consultant under the Department of Industry's microprocessor application project scheme (Mapcon), which was launched in July to encourage industry to adopt microprocessor-based technologies.

Companies using Mapcon consultants to examine microprocessor applications for them are eligible to receive financial assistance from the Department. For feasibility studies, funds of up to £2,000 are available, and

for actual applications and development work there is a 25 per cent contribution up to a maximum of £1m (for projects costing more than £10,000).

As category 1 consultants, Crellon is recognised as being competent not only to carry out feasibility studies, but also to manufacture certain items of equipment on behalf of clients which is not the case with categories A, B and C.

Crellon Electronics is at 350 Barb Road, Slough, Berks. SL1 6JE (06256 4300).

### CONSTRUCTION

## Finding the architect

BRITISH DATA SERVICES (a subsidiary of Barbour Index) has published three volumes of its "Selective List of Architects, Quantity Surveyors and Consulting Engineers."

Each volume contains information on partners, associates and consultants in the private sector, the public sector. The lists include names, qualifications and business addresses.

Copies are available from BDA, New Lodge, Drift Road, Windsor, Berks. Prices are: Practising architects (including p and p) £25, second copies £12; quantity surveyors, first copy £27, second copy £12, additional copies £5; consulting engineers, first copy £21, second copy £8, and additional copies £5.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

There will be five main technical sessions, which will be attended by more than 200 representatives of bitumen manufacturers from 15 countries.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

There will be five main technical sessions, which will be attended by more than 200 representatives of bitumen manufacturers from 15 countries.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

There will be five main technical sessions, which will be attended by more than 200 representatives of bitumen manufacturers from 15 countries.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

There will be five main technical sessions, which will be attended by more than 200 representatives of bitumen manufacturers from 15 countries.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

There will be five main technical sessions, which will be attended by more than 200 representatives of bitumen manufacturers from 15 countries.

Copies of the papers (in English, French or German) from Eurobitume at 351, Boulevard Bockstael, Brussels.

**Lovell**

for construction  
01-9951313

## For basic data entry

AS AN extension to its Office System 6 range of processors IBM has introduced the model 6/420, an operator work station consisting essentially of a board, visual display unit and diskette.

Test and records are displayed as they are entered, and recorded on diskettes, printing taking place on other Office System 6 models. Information can also be read into the 6/420 from other diskettes for additional revision.

At relatively low cost, the 6/420 should prove a substantial increase in input and document preparation is needed. It can also provide a starting point for electronic document distribution in those situations where existing stations are already working in capacity on processing and printing.

For management purposes, the 6/420 should prove useful, and fast access to data in the system (customer records, for example).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).

More from the company at 101, Wilmot Street, London W1H 0BA (01-355 8600).



## FINANCIAL TIMES SURVEY

Tuesday November 7 1978

السلامة

## Civil Engineering

The civil engineers have suffered most from the recession in the construction industry, and although the omens are better no one is looking for any sizeable recovery. Even export markets — a success story — are becoming difficult, with fierce world competition for whatever business is going.

## Order books still light

By Michael Cassell

WHEN LEADERS of the civil engineering industry suggested a year ago that output in 1978 was likely to be as much as 40 per cent below the last peak of 1973, Ministers greeted the warnings with a mixture of shock and disbelief.

Events have proved the industry correct in its prophecy and, although the immediate outlook now appears just a little brighter, no one expects the foreseeable future to offer any fundamental improvements.

It is the civil engineers who have suffered most in a construction industry where overall output has fallen by around 25 per cent during what is widely described as the deepest recession experienced since World War Two—some claim

the worst ever.

The slump at one stage left over one quarter of a million people in construction without jobs—a figure pushed even higher when jobs in ancillary industries were taken into account. The traditionally long list of company casualties rose, too, as contractors struggled to win what work was available, carried out contracts on thin or non-existent profit margins and ended up being swallowed by a competitor or placed in the hands of a receiver.

Some civil engineering specialists, in particular, have recently begun to diversify to reduce their dependence on a market which looks set to remain a difficult one.

The position of the civil engineers would over the past five years have been difficult enough, given the general economic situation. But a succession of swingeing cuts in public expenditure directly affecting a broad range of construction work—and imposed by a Government whose concern for the industry paled alongside its determination to control inflation—turned a potentially tough trading period into a nightmare for many companies.

The industry screamed out loud each time the axe fell, accompanying dire warnings of rising unemployment with predictions of permanently lost capacity. But it also knew that it was pleading with an executioner which believed there was no other choice.

The worst is now over and has no short-term intention of releasing the brakes previously applied on construction expenditure—it represents by far the biggest client for the industry—there is now a real hope within the construction sector that it will not again suffer so heavily at the hands of any Government. For the plight of the construction and civil engineering industries at the depth of the recession encouraged them, in an unprecedented show of unity, so to speak with one voice to Ministers and to establish the case for construction to be treated as a single entity—an industry with its own views and requirements which needed to be considered in the same way as those of any other industrial sector.

## Forecasts

The last set of forecasts from the joint forecasting committee of the Building and Civil Engineering Economic Development Committee suggested that although the bottom of the trough in public sector work should be reached this year, only modest rises in workload could be expected in 1979 and 1980.

The industry itself would not necessarily welcome any rapid rise in workload, however, as any fast upturn could put tremendous strain on resources which have been substantially skimmed down during the recession.

But while the Government

has no short-term intention of releasing the brakes previously applied on construction expenditure—it represents by far the biggest client for the industry—there is now a real hope within the construction sector that it will not again suffer so heavily at the hands of any Government. For the plight of the construction and civil engineering industries at the depth of the recession encouraged them, in an unprecedented show of unity, so to speak with one voice to Ministers and to establish the case for construction to be treated as a single entity—an industry with its own views and requirements which needed to be considered in the same way as those of any other industrial sector.

The so-called "Group of Eight," drawing representatives from all sectors of construction and its associated professions, can so far claim some notable successes. Ministers have clearly been far more readily disposed towards listening to a lobbying body which can reasonably claim to represent most sectoral interests within construction, even if they do suspect that such a body would break up once work flows back into the industry.

While the Group of Eight has not yet managed to extract any more money from Government as a result of its discussions it can at least claim to have engineered one major breakthrough.

After talks with Mr. Peter

Shore, Secretary for the Environment, the Government has finally undertaken to see that the construction content of future White Papers on expenditure will be a separate element, readily identifiable and capable of illustrating at a glance the full impact of spending proposals on the building and civil engineering industries.

Efforts are being made to encourage Ministers to include what the industry believes to be this vital innovation in the White Paper, due next February. The hope is that not only will the construction sector be able to pinpoint how it is faring at the hands of its biggest customer but that Ministers will begin to treat construction as an important factor in their overall economic and budgetary considerations and not, as in the past, as an afterthought.

Criticisms, however, have not been reserved merely for the Government and its handling of the construction industry. Ministers have in the past suggested that the sector could help improve its own position by adopting a more aggressive role in the search for new business and that it should put as much energy into marketing itself and its services as it does apparently into complaining to Government about lack of work.

Some support for this attitude came earlier this year in a major report from the National Economic Development Office which claimed that the construction industry was insufficiently

responsive to the needs of its clients, particularly those in the industrial sector.

Companies, said the report, were too concerned about their own individual role in the construction process and the industry would have to promote its services as an essential aid to improved productivity and better working conditions.

Few civil engineers would regard such an approach as anything other than a peripheral attempt to solve their main problems at a time when hundreds of millions of pounds worth of "bread and butter work" has been taken away from them with the stroke of a pen at the Treasury.

## Praise

The efforts of civil engineers to seek out work away from the difficult home market have, however, come in for nothing but praise in ministerial circles—and most observers would concur. The success of UK civil engineers and the construction industry professions in overseas markets provides the best answer of all to criticisms that the industry is slow to spot chances for new work.

Figures released recently by the Department of the Environment forcefully underlined the extent of the migration of skills and resources undertaken by the construction industry and professions in the search for work where work is available. According to the Department,

British construction companies carried out work overseas valued at an estimated £1.6bn in the year up until March, 1978, five times the value of work done five years earlier. The Middle East again proved to be the major market, although contractors began to pick up a growing proportion of work from Common Market countries. Large civil engineering operations continued to dominate the field, with just 20 British companies accounting for 93 per cent of the total value of new contracts picked up by UK companies.

During the year ending in March, British contractors won nearly £2bn worth of overseas work while actual earnings from the contracts carried out totalled around £400m. The picture overseas remains reasonably buoyant, although the pattern of yearly growth could now hope they will go away. They become increasingly difficult as competition grows more intense and large contracts become less readily available.

The overseas construction story has not, unfortunately, been exclusively concerned with success, and some contractors have encountered serious difficulties which have done little to improve their financial situation or to enhance their international reputations.

Closer to home, the civil engineers have been conducting another fight, not to win work away from their competitors but to prevent "what they see as a major threat to their future, the appropriate moment arises."

Proposals from the National Executive Committee of the Labour Party to spread public ownership in the construction sector have, like the recession itself, brought unity to a traditionally fragmented industry, this time in the shape of a controversial "CABIN" anti-nationalisation campaign being conducted by the Federation of Civil Engineering Contractors and the National Federation of Building Trade Employers.

The Labour Party's proposals, which include state ownership of at least one of the major civil engineering companies, are being treated with the utmost seriousness, even though the industry knows there are many influential people within the party who do not agree with the plans. As a spokesman for the FCEC said: "We just cannot afford to ignore the plans in the hope they will go away. They must be fought all the way until they are dropped."

The spokesman added: "People have accused us of going overboard in our opposition to the proposals but we believe they would spell disaster in an industry where free enterprise and competition are all important."

The plans have been ill-thought out and fail totally to demonstrate that any improvements would result from their introduction. We are determined not to end up being used as a spear, to be thrown away from their competitors but to prevent "what they see as a major threat to their future, the appropriate moment arises."

People wonder whether we're specialists in civil engineering or mining or residential housing or travel or building or property development or dredging or international construction or insurance broking or process engineering or land reclamation or scaffolding systems or site investigation equipment or piling or computer services or concrete products or renovations or steel tubing or geotechnology or stressed concrete design.

The answer is Yes, worldwide.



RICHARD COSTAIN LIMITED  
111 Westminster Bridge Road  
London SE1 7UE  
Telephone: 01-233 4877  
Telex: 6311634 COSTON G





## DOUGLAS

## The sign of a good contractor

For nearly fifty years companies in the Douglas Group have contributed to environmental improvements by their civil engineering activities throughout the United Kingdom. They have constructed motorways, trunk roads, bridges, airfields, sewage works, reservoirs, water supply, power stations, leisure facilities, factories and warehouses, in fact, almost every kind of civil engineering project. They also provide a complete site investigation and soil mechanics service and undertake civil and structural engineering and building design.

R.M. DOUGLAS CONSTRUCTION LTD.  
Civil Engineering & Building Contractors.

R.M. DOUGLAS ASPHALT & PAVING LTD.  
Mastic Asphalt, Tar Paving, Road Surfacing.

BRITISH LIFT SLAB LTD.  
Lift Slab Design and Construction, Slipform System.

DOUGLAS TECHNICAL SERVICES LTD.  
Soil Mechanics, Structural, Civil Engineering and Building Design.

For any of these services contact: Arthur B. Moore, B.Sc., F.I.O.B.

The DOUGLAS Group

395 GEORGE ROAD, BIRMINGHAM B23 7RZ. Telephone 021-356 4883

Regional Offices:  
LONDON, CARDIFF, SWANSEA, STOCKTON-ON-TEES, WIGAN, EDINBURGH, GLASGOW.

## CIVIL ENGINEERING II

## Domestic sector struggles on

MODEST ECONOMIC growth, with low demand at home and restricted investment and a continuing clamp down on public expenditure—particularly capital expenditure—is the somewhat daunting outlook confronting UK civil engineers as they attempt to calculate the volume of domestic work likely to become available up until the end of the present decade.

The prospect is nothing new to the construction sector, which for the past five years has been through the economic wringer and had to make do

with the aftermath of economic policies which at times seemed designed to make its plight even worse. Not since the heady days of 1973, when total domestic construction output in the UK rose by 5 per cent has the construction industry had anything to shout about—apart from successive cuts in public expenditure. In 1974, total construction output plummeted by 13 per cent, the staple diet of the civil engineering sector—falling even further by 14 per cent. The following year, the pattern was repeated, with public sector construction output declining by 10 per cent from 1974. In 1976, the rapid decline moderated to a mere 3 per cent in the public sector, only to fall back by about 12 per cent in the next 12 months.

This year, too, the industry will have struggled in a market where public sector output has fallen yet again—albeit by only around 1 per cent. Next year, for the first time since 1973, construction work in the public sector is expected to turn upwards, possibly by around 2 per cent, with a further modest increase anticipated in the next 12 months.

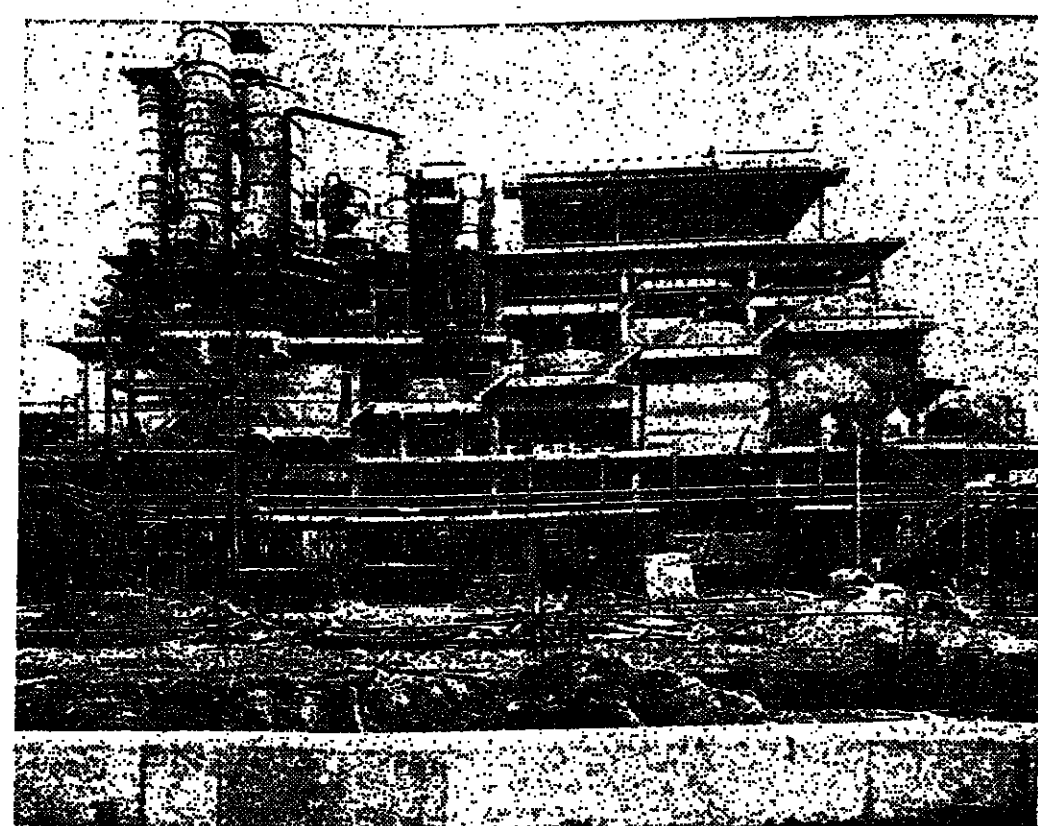
Within the overall figures lies a fairly repetitive sector-by-sector picture of sluggish growth. Potential business from the nationalised industries is expected to grow marginally to 1980, with perhaps a stronger picture of construction investment for the Gas Corporation than for some other major public sector bodies.

## Estimates

The outlook for roads construction provides little cheer either. On the basis of present estimates, spending on trunk roads could be running 20 per cent lower than in the last White Paper on Public Expenditure. The increasing frequency and length of public inquiries concerned with major route developments, which contractors claim has made the Department of the Environment wary of pushing ahead with many proposed schemes, has served to exacerbate the situation, as has the reluctance of many local authorities to authorise road schemes.

A similar picture is drawn for water and sewerage schemes where output is expected to grow only modestly in the next two years. As a recent set of construction forecasts from the National Economic Development Office pointed out, if stresses in some areas do call for increased capital expenditure, then the internal transfer of funds rather than an increase in total spending seem more likely.

From a longer term point of view, however, the extensive replacement and modernisation work. Domestic contracts have of necessity involved much



Caprolactam plant under construction at Flizborough for Mypro (UK) Limited.

the country's sewerage system up to date must eventually provide the civil engineering sector with a desperately needed works programme of a scale which could usefully employ much of its unused domestic capacity.

The outlook for civil engineering business in the private sector does, however, look a little more promising. Industrial and commercial construction projects—not the exclusive preserve of the civil engineers but one in which the largest contractors have always been active—are now flowing through at a rate which implies a significant recovery from the levels of activity achieved in the past four years.

Industrial construction work has, however, been inevitable, carried out this year is expected to have shown an increase of about 8 per cent over 1977 levels—which had fallen by no less than 18 per cent from the previous year—and a further 4 per cent rise is anticipated in 1979. In the commercial sector, output this year looks set to have risen by 7 per cent, after a modest upturn in 1977, and further modest increases are forecast for 1979 and 1980.

Orders for commercial property have risen strongly for most of this year. But despite the occasional silver lining, the medium-term horizon remains fairly bleak and it is hardly surprising that with total construction output running 25 per cent below the 1973 levels (as much as 40 per cent for civil engineering work) contractors have become steadily more dependent on overseas work. Domestic contracts have of necessity involved much

lower margins and the largest contractors have been forced to take on smaller batches of work to which their operations are not naturally geared.

The difficulties in obtaining work which have been experienced by many of the medium-sized contractors have been heightened by the arrival on the scene of those companies who would not normally interest themselves in smaller scale projects. A few questions have certainly been raised concerning the size of the margins they are apparently ready to accept in order to obtain badly needed work and keep their operations usefully employed.

Substantial slimming down has, however, been inevitable, with unemployment in the industry reaching record proportions, a picture which has been reflected among the associated professions.

Another result of the slump, this time magnified because of the extent of the recession, is the shortage of skilled craftsmen. The downturn in work has been so substantial and so prolonged that once again the industry has lost, perhaps permanently, large numbers of men whose skills are required the moment output begins to pick up.

The same shortages have in the past applied equally to construction materials, though the extent of the current revival in construction work has as yet been too limited to place any significant strains on manufacturers' resources.

In fact, much of the current discussion between the industry and the Government has been

centred on the mutual desire to generate a more orderly growth in construction output the next time round. Memories of bottlenecks and backlogs which frustrated the last revival and helped give inflation a further twist are still fresh in the memory and both sides are anxious to avoid any repetition of that type of situation.

The industry has certainly not given up in its persistent attempts to secure further injections of finance into construction to help make amends for the massive cuts in expenditure introduced at the height of the economic crisis, but it shares with Ministers the desire to prevent another sharp movement in the cycle of activity which has done so much to undermine its strength in recent years.

The recent NEDO report on the construction industry underlined the fundamental role which construction would have to play in the nation's industrial recovery and there is some hope within the industry that the experiences of the past four or five years have impressed upon government the harm which can be caused by violent manipulation of its programme of work.

There is hope that the art of correct demand management may slowly be beginning to sink in and that in future the industry will be considered as an entity in itself and not merely as an adjunct to all the other major sectors. They are hopes which may flourish but which may, once again, founder at the first sign of the next major economic crisis.

Michael Cassell

## Growing level of overseas work

THE BRITISH construction industry, with its related professions and suppliers, earned Britain, with another £60m about £2.6bn overseas in 1977, coming from their overseas subsidiary operations. The overseas, with newcomers to the international scene arriving each year, not apparently put off by stories of cut-throat competition and heavy contract losses.

The value of work carried out overseas by British contractors rose from £1.27bn in 1976-77 to £1.60bn in the latest 12-month period for which figures are available, while, at the end of March this year, they had over £2.3bn worth of work in hand. In addition, new overseas contracts worth £1.92bn at today's prices were won by British contractors in over 100 countries during 1977-78. The total, which includes contracts awarded to the overseas branches and subsidiaries of construction companies was just over £200m higher than in the previous 12 months.

This impressive list of figures was released last month by the Department of the Environment which reacted to news of the industry's continuing overseas success with characteristic calm and with the simple observation that it had all been achieved "against increasing competition and protectionism."

Such measured phrases from the DoE convey little of the energy, effort and resources which dozens of companies and thousands of people have put into ensuring that British contractors remain a force to be reckoned with in the international civil engineering and construction world.

According to the Department of the Environment, about 100 civil engineering and building contractors are now operating overseas, with newcomers to the international scene arriving each year, not apparently put off by stories of cut-throat competition and heavy contract losses.

Work remains concentrated, however, in the hands of the 20 largest contractors, who are currently handling over 90 per cent of all projects involving UK construction companies.

The Department's figures confirm the continuing pattern of successful overseas activity for UK contractors which for some goes back many decades but which for most represents a relatively new departure. A major expansion in overseas operations has been the inevitable consequence of an almost unprecedented depression in domestic work, caused by a combination of slow economic growth and, some would suggest, some fundamental changes in the nature of demand for civil engineering projects in the UK. The theory in this respect is that the bulk of the post-war infrastructure programme in the UK is now complete and output that the civil engineering sector must accept and settle down to a lower norm in terms of annual output. It is a plausible theory, which the civil engineers themselves find hard to accept and which will be difficult to prove.

Continued on next page

## When you cover the world, why keep it under your hat?



Far from keeping it under their hat, Acrow recently demonstrated their world-wide capability to over 10,000 visitors during the Acrow Convention at Kempton Park attended by 1,000 Acrow delegates from no less than 82 countries, probably the largest exhibition ever mounted by a British industrial group associated with the construction industry.

**Acrow (Engineers) Limited**  
Formwork and scaffolding systems  
Concrete hardware  
Tallied safety helmets

**Coles Cranes Limited**  
Self-propelled mobile cranes and speedcranes  
Diesel hydraulic truck cranes  
Diesel electric truck cranes  
Port tower cranes

**Priestman Brothers Limited**  
Hydraulic excavators  
Crawler cranes  
Grab digging cranes  
Grabs and grapples  
Taperex cross roll bearings

**Thos. Storey (Engineers) Ltd**  
Bailey Bridging  
Acrow Panel Bridging  
Acrow Heavy Bridging  
Uniflote pontoons  
Air cushion platforms

ACROW—an international engineering group with interests in construction, bridging, materials handling, oil and petrochemicals, agriculture, heating and ventilation and general engineering. Other principal companies in the UK include Acrow (Automation) Limited, Acrow Tubes Limited, Adamson Containers Limited, Adamson & Hatcher Limited, Crane & Machinery Services Limited, Crawley (Filling) Limited, E.H. Bantall & Co. Limited and Steels Engineering Limited.

**ACROW**  
the constructive force

Acrow Limited, 8 South Wharf Road, London W2 1PB. Tel: 01-262 3546. Telex: 21868.

## Every decision maker should have a copy of the Tilcon Group Brochure...

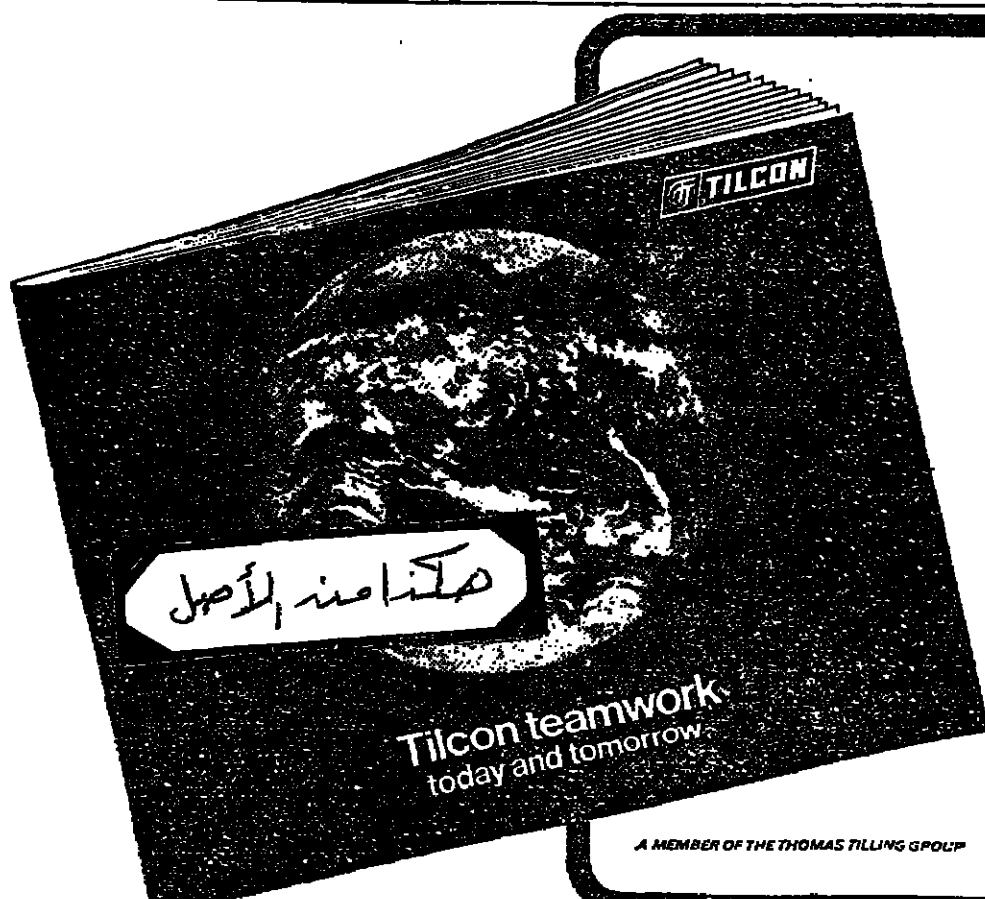
It presents a 'complete picture' of Tilcon—one of the largest suppliers of building materials and services in the U.K. with daily involvement in many of the most important building and civil engineering contracts.

The extent of Tilcon's resources and technical back-up may surprise you!

Write, phone or telex for your copy today!

You can trust the **TILCON** team

Tilling Construction Services Ltd  
GROUP ADVERTISING DEPARTMENT  
Conyngham Hall, Knaresborough, North Yorkshire HG5 9AY.  
Tel: Harrogate (0423) 862841 Telex: 57997

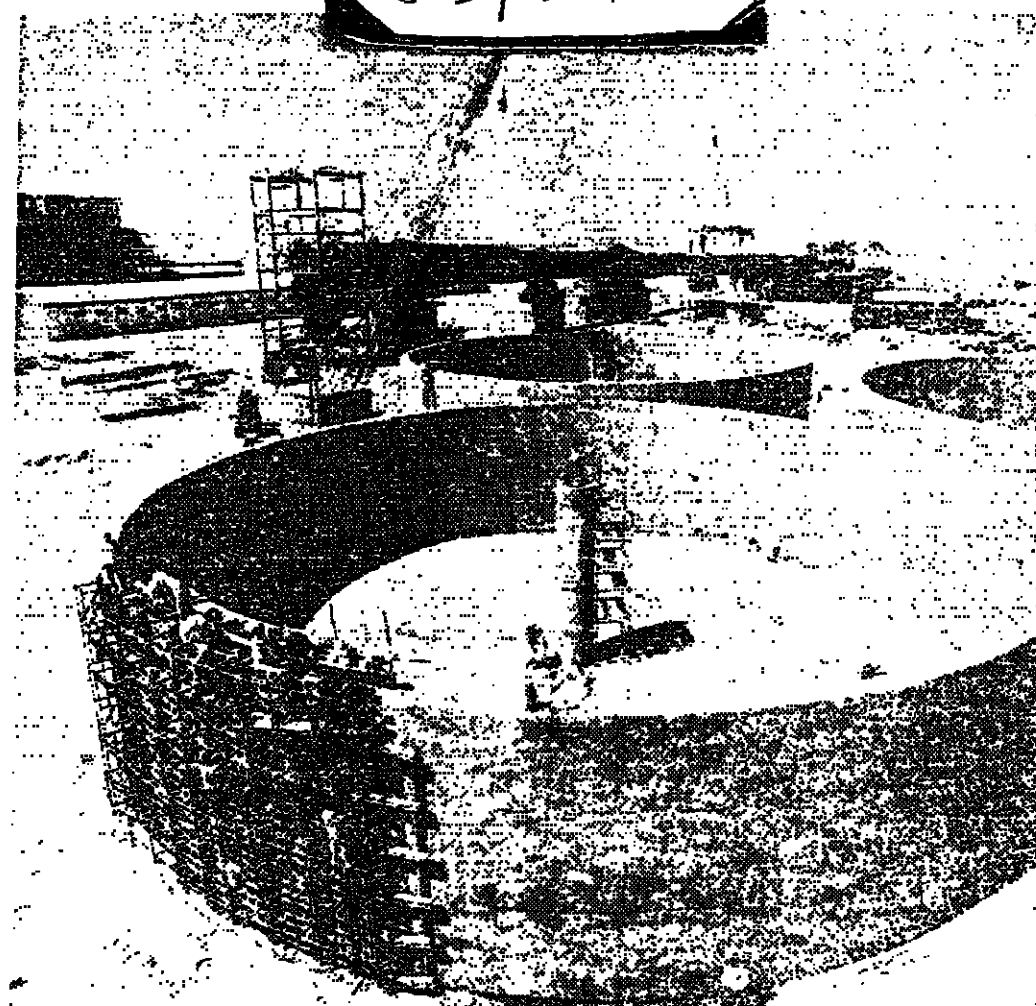




## CIVIL ENGINEERING III

الهندسة المدنية

# Middle East scramble leaves few content



M.C. Costain International undertaking construction of a cement works in Dubai

THE Middle East construction market resembles something of the morning after the night before. Some contractors wish they had never bothered to turn up, a few have sore heads and others are already beginning to look round for the next party.

There has certainly been a party in the oil-rich nations of the Gulf, where the rate of economic growth has left the rest of the world standing and where international contractors in search of business have turned up in their hundreds, if not with a bottle in their hands then with plenty of ideas and a few competitive bids.

In a sense, the party is not really over at all. At present, some 55 to 60 per cent of capital expenditure in the Middle East is being put into construction work, a proportion which a recent Economist Intelligence Unit report pointed out was unprecedented in the developing world. According to some estimates—they vary substantially—expenditure on construction in the region is likely to reach between \$25bn and \$30bn by 1981, so the outlook for continuing growth looks encouraging, if less buoyant than two or three years ago.

## Inflation

Despite significant retrenchment on the part of most Middle East economies—brought about by the need to contain inflation which has budgets—opportunities for profitable contracts remain. Besides the fact that the oil-rich states enjoy considerable financial surpluses, the financial aid and investment policies of these states have also helped their less fortunate neighbours, such as Egypt and Sudan, who now also can contemplate substantial construction programmes.

But if contract opportunities do still exist, few international contractors would fail to accept the observation that the market has changed quite dramatically in the last two years and that the Middle East will never

again hold out quite so readily the volume and range of work which has flowed in the past.

After the dramatic boom in the construction market sparked off by the readjustment of oil prices, certain kinds of activity are now clearly levelling off.

Many of the major client countries are beginning to establish for themselves the basis of their infrastructure—major roads, airports, ports and docks—and some have moved well into the "second generation" phase of office, residential and industrial development.

The chances are, therefore, that in a growing number of markets the international contracting operations will have to begin to take an interest in the type of work which until now they have been able to ignore—particularly in the industrial development field.

But it is not only the make-up of the market which is changing, the roll of participants chasing work has grown longer and competition has become considerably more fierce. In addition, clients have in many respects become more worldly and, as the result of some badly burned fingers, become much tougher customers.

In essence, the Middle East construction market has come of age. It has settled down, with the client and contractor elements both having learned a few lessons and with every hope that the market can now progress in a more orderly fashion.

The boom itself has generated more obstacles to getting work in a region which invariably bears little resemblance to the markets in which many contractors have previously operated. Competition really has become intense and Governments, in the role of clients, have begun to drive some very hard bargains. The process of winning work, always a costly one, has become more costly and more time consuming than ever in the last two years and that with the chances of success thinner than in the past.

many contractors are thinking twice before making a play for contracts out to tender. International contractors are also beginning to find that local construction companies have been watching and learning and that in some, though by no means all, markets, they are now becoming a competitive force.

That is not to say that they are capable of picking up multi-million civil engineering contracts—at least not on their own—but it does suggest that they may well be in a position to compete for a growing proportion of the second tier of work, such as housing and urban development, health and education requirements, leisure and recreation facilities—in short the type of work which will now make up a growing proportion of the overall construction market.

For the time being, however, the major international civil engineering contractors are more concerned with the competition now coming from the Far East, in the form of South Korean and Thai contractors.

No current assessment of the Middle East construction market can avoid mention of the impact which the South Koreans in particular are now having on the scene.

Until recently, the Korean activities in the region have been largely labour intensive, involving the building of roads, ports, housing and hospitals, but there is now ample evidence to suggest that the level of their technical understanding has risen dramatically and, as recent tender successes have highlighted, they are capable of trying for and winning the most sophisticated of civil engineering projects.

But what of the British contractors in a market which has now become anything but an easy alternative to a severely restricted home market? There is little room for complacency, but there is some scope for self-congratulation. Figures

released only a few days ago by the Department of the Environment showed that UK contractors managed to win new orders worth no less than £1,028m from the Middle East in the year ending in March 1978—a figure representing more than half of all the overseas contracts picked up during that period. Five years ago, the value of UK orders in the region stood at barely £75m.

The Department's figures showed that the United Arab Emirates again proved the major construction market for UK companies, with orders taken worth £414m. The Emirates, with its long British associations and its respect for British standards and skills, has provided huge volumes of profitable business for some of this country's largest civil engineers, though the amount of work available has fallen fairly dramatically in the past two years and several contractors are worried about future work prospects in the area.

Saudi Arabia, according to official figures, ranked as the second most important Gulf construction market for the UK, with new orders worth £148m taken on. The figure appears insignificant alongside the Saudis' overall construction budget and it is a fact that British penetration of the largest market of all has been very disappointing. Many contractors have quite simply been unable to find work more easily elsewhere and have been put off by some of the onerous contract conditions (if not the depressing stories of the environment and social restrictions) laid down by Saudi clients.

But it may be time for UK contractors to grit their teeth and to attempt to make bigger inroads into Saudi. With the prospect of much tougher competition and a declining level of major civil engineering projects confronting them in their more traditional Gulf markets, Saudi demands to be taken more seriously than in the past. Contractors know full well that there will be no easy options

in Saudi, but the largest, most experienced ought to be able to continue the successes they have recorded elsewhere.

Elsewhere in the Middle East, Iran continues to prove to be an important market for the UK, as do Bahrain, Qatar and the Oman. One of the most interesting prospects for British construction companies must be Egypt, where enormous development potential exists and where there remain very strong pro-British sympathies. A poor economy will continue to restrict opportunities for expansion and development, but peace with Israel and an injection of external finance could transform the present situation and provide substantial trading opportunities, not least for the UK.

Overseas

CONTINUED FROM PREVIOUS PAGE

There are some observers who suggest that the success of the UK contractors is all the more remarkable because they have received less support and fewer back-up facilities than many of the competitors against whom they have to fight for work. Whether it concerns the level of local commercial expertise has been the case for some time.

Some of the largest UK civil engineering contractors have already made warning noises about anticipated falls in work levels abroad and lower profit expectations and their voices are likely to be joined by others now that the pressure is mounting. It is not fantasy to suggest that the search for work really is now extending beyond the more traditional markets and that major contractors are seriously examining the potential for large-scale civil engineering projects as far afield as South America—some work has already been netched up there—and even China.

highlighted the ever-present risks attendant in working overseas and which no doubt made some contractors wish they had never set foot in Nigeria or Saudi Arabia.

But there have been plenty of successes by way of compensation, bringing healthy profits, increased experience and, in turn, more work to the core of provided by the international diplomatic network or the range of export credit guarantees available at home, there exists substantial criticism that the massive role contractors play in assisting the balance of payments is not adequately reflected in the scope of official support available to them.

One thing is clear: the British contractors are going to need every piece of assistance they can lay their hands on if they are to continue the successes of the past few years. For the world's growth markets in construction—principally the Middle East and parts of Africa—have entered a significant

less buoyant phase and although, in some cases, it may prove to be nothing more than a temporary phenomenon, the amount of work available is on the decline. At the same time, competition is increasingly tough and profit margins are generally looking thinner than they have been for some time.

Close to home, contractors are hoping to extend their penetration of European markets, where activity for them has recently been showing signs of considerable expansion, despite the generally poor economic outlook. Last year, UK contractors won more work than ever before and they have been heartened by some fairly ambitious plans put forward by the Community's Minister of Transport which would entail, among other things, the final provision of a Channel tunnel, an expanded network of European trunk roads and improvements in existing Continental rail links. The Minister's plans are not yet backed by any hard cash and have so far found only moderate support among member countries, but there is little doubt that he could rely on strong backing from an industry that hasn't heard any good news on its own doorstep for a long time.

# Racing the rains in equatorial Gabon



## RAYMOND

finished a viaduct  
3 weeks ahead of schedule

The Transgabonese Railway Authority required a 650-metre-long viaduct to cross the flood plain of the Abanga River. It was vital to complete the project before the tropical rainy season began in October this year.

Raymond International were awarded the contract in April on a design-and-construct basis. They drove the first pile on June 6th. 103 days later, on the 16th September, the viaduct was opened—weeks ahead of schedule. The first train crossed on the 26th September 1978.

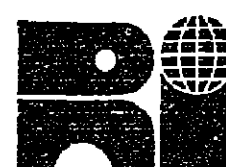
Raymond drove 260 steel pipe piles of 40 or 50cm diameter in groups of four with 10m spans. Each group is capped with reinforced concrete and Corten steel bridge sections span the gaps.

This was Raymond's first job in Gabon. But two-thirds of their work still comes from people who've used them before. It's not a bad recommendation, when you think of it.

RAYMOND INTERNATIONAL (UK) LTD

Clifton House, 53-55 Uxbridge Road, Ealing, London W5 5TA

Telephone 01-579 9381 Telex 935741



One of the Raymond  
International  
Group of Companies



## CIVIL ENGINEERING IV

## Safety record under scrutiny

THE CONSTRUCTION industry's record on safety has this year been at the centre of a heated debate between the employers, the unions and the Health and Safety Executive. The subject has always aroused passions within the industry, but rarely has it provoked as much controversy as it has done in the past few months.

Events came to a head earlier this year when the Executive produced the first of a series of reports on particular industries — on construction — and in which Mr. Jim Hammer, the Chief Inspector of Factories, forecast that unless drastic steps were taken to improve the industry's safety performance, about 2,000 people employed in construction would be killed over the next 10 years, while another 400,000 could be injured.

The report chose to examine 100 fatal accidents involving construction workers and pointed out that the men involved in all cases were simply going about their normal work — "they were not working at the frontiers of technology; they were simply picked off one at a time," it said. It was this kind of accident, the report added, to which the industry should apply its mind, since it was the mundane accident

which attracted little publicity that was typical of the normal range of construction fatalities.

The report continued: "There are very few freakish accidents, or accidents which would surprise someone who had worked or inspected in the industry for several years. The vast majority of these accidents can be prevented by the competent exercise of normal professional skills, by adequate training and supervision and by the establishment of safe systems of work."

The executive said its studies suggested that a "realistic approach" should and could be made by the industry to tackle the readily identified and traditional hazards in the industry. There were many contractors, it claimed, which would only be as safe as the law required them to be.

The report, which stated that the construction sector accounted for more deaths and injuries at work than any other single industry in Britain, did concede that at the centre of the problem of safety on a building site was the question of the behaviour of the individual workman and his motivation, to which the industry could nevertheless be influenced by the training he received from his company, by

the industry, and in the provision of safety policies backed by adequate organisation.

It commented: "The construction worker, however simple his job, usually exercises a high degree of personal choice which effectively determines whether he has an accident or not. This inevitably means that a certain number of serious accidents will always happen. We feel that the fullest answer must lie in the development of the approach which controls the behaviour of the individual by means of safe systems of work, training and adequate and imaginative supervision."

The report said that, in 1976, reportable accidents rose to over 34,000 although deaths fell to 154 from 181 in the previous year. Provisional estimates suggest that 140 people were killed last year with nearly 34,000 injured.

## Accident

Mr. Hammer said that if an employee had an accident in building he was four times more likely to be killed than in any other work and went on to say that the same basic causes had produced a high proportion of construction accidents over the last 60 or 70 years.

The report catalogued various types of fatal accidents, including falls from heights, electrocutions, falling materials and the collapse of earthworks. It emphasised that they invariably attract little attention, unless they are spectacular or involve potential risk to the public but that they should, nevertheless, be isolated and picked out as those which cause the greater number of preventable deaths in the construction industry.

It did not take long for the construction industry's employers to respond to the report, which they described as "sensational and misleading." The National Federation of Building Trades Employers called the Executive's findings "thoroughly misleading" and said that if the prediction of 2,000 deaths was to be proved correct, it would require a complete reversal in the downward trend of the construction accident rate over recent years.

Mr. Peter Morley, President of the NFBTE, said he did not for one moment believe that the forecast would come true, even given an upturn in construction activity. He emphasised that he was not condoning any situation in which workers were being killed or injured but that it was essential to put the in-

dustry's accident record into perspective.

The industry, he said, was the largest employer of male labour in the country and, by its very nature, it was a high-risk industry as far as accidents were concerned. Workers were required to work during the construction process at variable heights, in variable weather conditions and on a wide range of jobs—from trench digging to operating highly sophisticated lifting machinery such as telescopic jib cranes—some of which carried a high element of risk.

But he pointed out that the same picture existed in construction industries the world over and that the British construction sector was "by no means at the top of the international league in this respect." Mr. Morley said that in the UK both steel and coal had a higher fatality rate, while no fewer than 35 manufacturing industries had a higher serious accident rate.

Mr. Derek Gaultier of the Federation of Civil Engineering Contractors echoes Mr. Morley's views and says the UK industry's safety record compares favourably with those of other countries. Construc-

tion, he says, is inherently more dangerous than most factory industries, and while there can never be grounds for complacency, accidents will always happen.

The FCEC, in co-operation with the NFBTE, does considerable work in the safety field and the two bodies claim to make every effort to inform and guide members on proper safety procedures for themselves and their operatives. Mobile training units tour the country, giving instruction to operatives and regular safety training courses are organised on both a national level and on an "in-company" basis.

## Extensive

The employers have also had extensive discussions with the unions over the proposed form of training for the new safety representative system and companies are already releasing operatives for such training. Under the Safety Representatives and Safety Committees Regulations, union-appointed safety personnel will have the right to inspect immediately the part of a site where a notifiable accident has taken place, and

not merely to construction, each union represented in a contracting company on a site

will have the right to appoint an unlimited number of safety representatives, though there is no obligation to appoint any at all.

The unions, as mentioned earlier, have been playing a major role in the safety debate. The Union of Construction Allied Trades and Technicians called the Executive's report "an important contribution to the struggle for safety in construction" and highlighted its observations that the majority of accidents and deaths were preventable with proper planning, care and forethought. The union said that no company which was concerned about the safety of its workforce should object to the type of scrutiny carried out by the Health and Safety Executive and those that did "have something to hide."

It accepted that the workers had to be fit and mentally alert to the dangers on construction sites and that there was little purpose served in attempting to apportion blame on either side. The most important point was that, with a major effort on the part of all those concerned, construction could be transformed into an industry with one of the lowest numbers of accidents and deaths.

Under the Regulations, which apply across industry and not merely to construction, each union represented in a contracting company on a site

MC

## Labour relations

EMPLOYERS AND the construction unions accept that labour relations in civil engineering are not as good as they might be.

Both sides of the industry have made determined joint efforts to solve some of the problems facing civil engineering and there is a long-established machinery for resolving disputes. Nevertheless, there are several issues which continue to cause discord between companies and their workforce, many of which are clearly related to the casualised and rough and ready history of construction.

However, the industry probably has a much better record of industrial relations and productivity than building. Civil engineering employs about 150,000, including 50,000 white-collar staff—a quarter that of the building industry. A whole range of craft jobs—heavy machine operating, steel fixing, concrete reinforcing, tunnel mining, gas distribution, open cast coal digging, along with general labouring—are involved.

The supreme body in the industrial relations framework for the whole of construction is the Building and Civil Engineering Joint Board.

This includes representatives from the two employers' organisations, the Federation of Civil Engineering Contractors and the National Federation of Building Trades Employers (NFBTE), together with the union side.

The Board fixes basic pay rates nationally for building and civil engineering, plus some of the special pay and tool allowances, working hours, holiday and sick pay.

For the civil engineering side of the industry, unions and employers come together at the Civil Engineering Conciliation, Construction Board. The employers are represented by the contractors' federation. The operative side is made up of the Transport and General Workers' Union, the General and Municipal Workers' Union and the Union of Construction Allied Trades and Technicians.

The Transport and General is the largest union in civil engineering while craft unions, notably UCATT, have the greatest single influence in the much larger building sector.

The constitution of the CECB charges it with maintaining good labour relations, determining some wages and conditions—special skilled "plus" rates and shift allowances for example—and sorting out disputes between management and its workforce.

Unlike the building side of the industry there is no regional joint disputes procedure. If an industrial relations problem arises, attempts are made to resolve the issue at local level. If that fails the dispute is raised straight to national level at the CECB. The Board meets every month and there are emergency conciliation panels to discuss immediate problems.

Alleged unfair dismissals form a considerable part of conciliation work partly because of employment termination tends to be frequent in an element and this is most

There has also been useful co-operation on other aspects of the industry, training for example. Some of this, however, has been marred by bitter public rows and recriminations. This has been most noticeably seen in the construction employers' campaign—CABIN—mounted against what they believe to be the threat of nationalisation. The unions say that threat is unreal. It also occurs in row over welfare schemes and redundancy pay. The unions and employers say productivity within civil engineering tends to be good although there are major fluctuations resulting from several factors.

There appears to be six main features which affect productivity on site. One is the job specification—how well it is defined and how "repetitive" it is or not. Another is the need to break off and make preparations for further stages of the scheme. Physical conditions play a significant part—for example in the problems of excavating. Geographical location is another element and this is most

CONTINUED ON NEXT PAGE

## Taylor Woodrow Teamwork makes a world of difference...



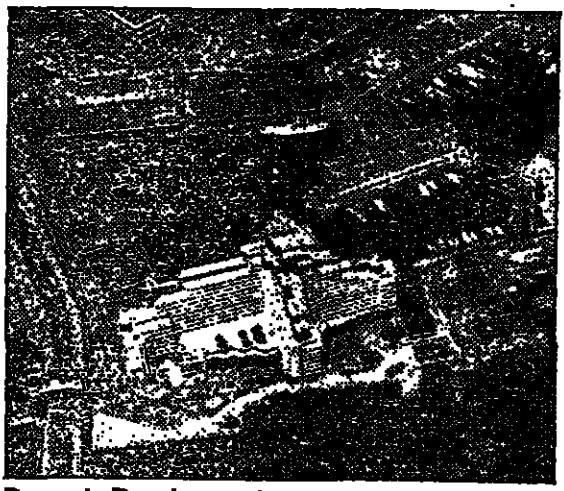
Building



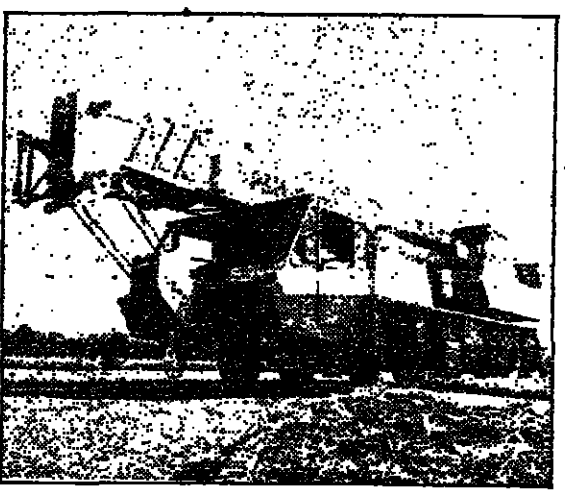
Civil Engineering



Mechanical, Electrical and Process Engineering



Property Development



Plant and Equipment



Homes

## ....and that's not the end of the story!

We haven't even mentioned major building projects like hospitals, factories, schools, nuclear power stations, dams and even a cathedral.

We haven't touched on our host of specialist companies working in steel structures, industrial building systems, plant hire and a dozen other fields.

But you may have got the message.

It is, simply, that the Taylor Woodrow Team offers its clients one of the most enterprising, competitive, and comprehensive ranges of design, construction and engineering skills anywhere in the world.

You might call it versatility. We call it Teamwork—and it's at your service.

Marketing Services Department,  
Taylor Woodrow/Taywood House,  
345 Ruislip Road, Southall,  
Middlesex UB8 2QX.  
Telephone: 01-578 2366. Telex: 24428.

The world-wide team of engineers, constructors and developers

**TAYLOR  
WOODROW**



Building: Queen Anne's Mansions, built on one of London's most prestigious sites in Westminster.  
Client: The Land Securities Investment Trust Limited.  
Architects: Fitzroy Robinson & Partners.  
Consultant Architect: Sir Basil Spence.  
Consulting Engineers: Bylander Waddell Partnership.  
Quantity Surveyors: Gardiner & Theobald.

Civil Engineering: The world's largest dry dock complex being constructed at Dubai in joint venture with Costain Civil Engineering Limited. Consulting Engineers: Sir William Halcrow & Partners.  
Mechanical, Electrical and Process Engineering: Services installed at Hartlepool Nuclear Power Station by the Mechanical, Electrical and Process Division.  
Property Development: Development of St. Katharine-by-the-Tower,

includes the Tower Hotel, London World Trade Centre, 300 homes for the G.L.C. restaurants and yacht haven.  
Plant and Equipment: One of a number of nationwide franchises held by Greenham Construction Equipment Limited is the range of P&H cranes.  
Homes: The award winning "Rochester", one of the many designs in the Taylor Woodrow Homes range.

مكتبة



# Trend towards bigger machines

BIGGER IS better. That has been the cry from the civil engineering and construction industries to the manufacturers. In the hydraulic excavator industry, it has been the cry of the manufacturers. In the construction equipment industry, it has been the cry of the manufacturers. In the construction equipment industry, it has been the cry of the manufacturers.

The main impetus for changes in technology in this sector of the commercial vehicle market are the health and safety regulations which have become an increasing consideration in the industrialised world. Noise, for example, is a major problem. It is certainly possible to absorb engine noise so that the decibels in the cab are at a tolerable level, although when you absorb noise you usually absorb power. But the major constraint on the size of an off-road truck and much other construction equipment is tyre technology. Some big items of equipment even have to be designed around the tyre, for an initial factor that the designer has to consider when planning a new vehicle is the size of the tyre required.

The value of construction equipment produced in the UK is running at about £800m a year. Output has not grown significantly since 1973 and nobody in the industry expects it to improve much next year. After all, if your customers have hardly any work they will need few new machines. The recession has hit the construction equipment makers hard. There have been redundancies, and short time working is commonplace.

There is over-capacity in most segments of the market but companies are reluctant to close plants down—indeed it is very difficult and costly to do so in most West European countries, including Britain.

**Drastic**  
The extreme circumstances are, however, producing some drastic measures. Massey-Ferguson, the Toronto-based company which ran into severe losses in its construction equipment division, tried to find a buyer and when this proved unsuccessful decided to "rationalise" its European operations. Details are still to come. One of the UK's major construction equipment groups, Aveling Barford, which is ultimately owned by BL, and

has put a stop to its previous expansion plans. These were drawn up in the expectation that the pound would steadily weaken against the dollar. Instead the reverse has been the case and the business, while still bringing increases in turnover in unit terms, is making losses as the dollar slides.

"The construction equipment business worldwide is dominated by North American companies and it is a dollar business," commented Mr. David Abell, managing director of SP Industries, the specialist engineering group within BL which takes in Aveling Barford.

It is also true that the Americans more often than not have the technological lead and the major shares of output at the heavier end of the business. However, since their home market is so vast and profitable, there are some North American groups which are fairly lazy exporters, seemingly unwilling in the past to adapt the equipment used in America for European operations.

The fall in the value of the dollar might lead to these companies thinking again about their export approach. It must also have some impact on the investment intentions of the North Americans in Europe. In Britain particularly, where the American-owned companies account for perhaps half of the output of construction equipment, those investment decisions are extremely important to the industry's balance-of-payments performance.

There can be little hope that the Americans will actually increase capacity in the UK, given the excess capacity world-wide.

But a major effort is being made at Government level to interest them in using more British components and to widen the range of equipment they produce at their British plants.

Kenneth Gooding



Terex model 82-50, marketed by Blackwood Hodge, ripping sandstone

## Labour

CONTINUED FROM PREVIOUS PAGE

marked in the incidence of poor productivity tends to be rather light and bad weather between the south and the far north of the British Isles.

Strikes and other disputes in the north-west, parts of the east coast of Scotland and in some of the Yorkshire areas of the north-east of England also affect productivity of these areas of traditional workforce.

Two of the biggest productivity problems, however, relate to factors which are to some extent apart from the normal framework of civil engineering.

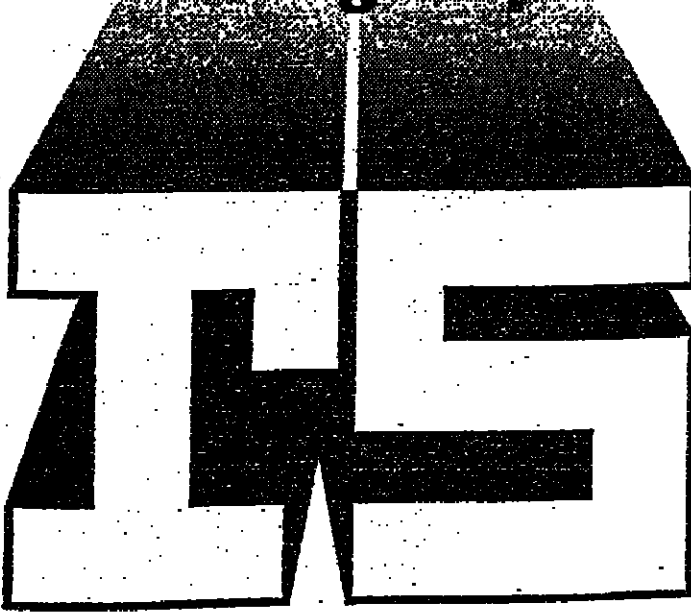
One is the relationship between contractors and their clients. In what civil engineering employers call the "client hazard," project commissioners can make things difficult by being late with detailed drawings and intervening in industrial relations. The employers' confederation says this interference is carried out most noticeably by nationalised industries.

The other feature is the complexity of the scheme. On big multi-contractual jobs, there is greater scope for bonus difficulties and problems created by groups whose work does not normally fit in with civil engineering. The employers say that the presence of electrical and engineering contractors, who have to bring on to site men who normally work in a factory environment, often creates labour relations problems. This might partly explain the difference in productivity levels on complex projects like power station building as against the more simple nature of road construction where productivity is high.

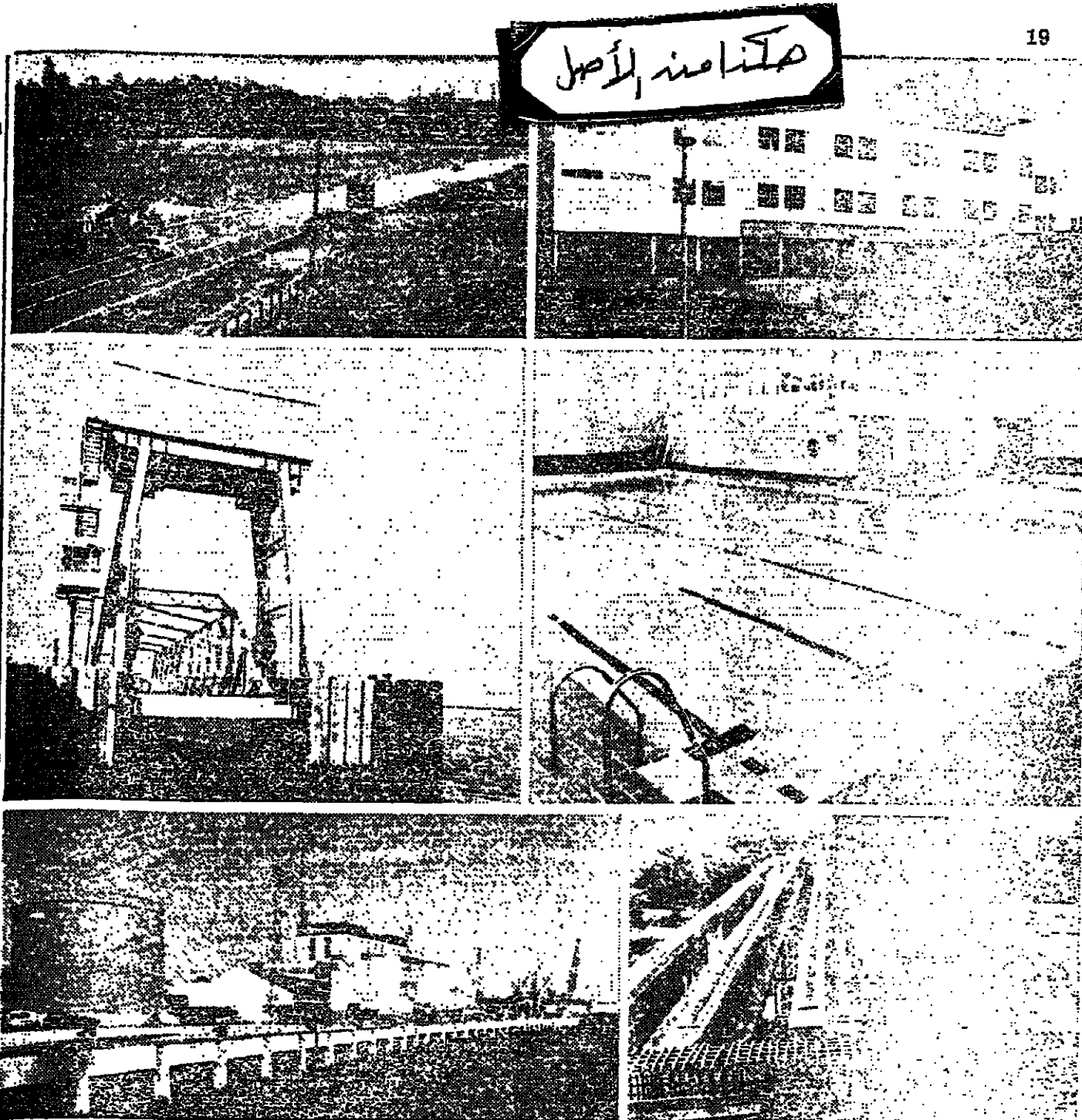
Generally employers and unions within civil engineering say that if they are left to get on with the job without outside interference, problems of on-site productivity can be settled quickly and amicably.

Nick Garnett

## Delivery. Price. Service. Range of products.



**Rainham Steel has it all.**  
Universal beams, Columns, RSJs, Channels, Angles, Plate, Flats, Re-inforcing rod and mesh, Piling, Galvanized corrugated sheets, roofing and all constructional and structural steel prime and re-usable.  
Nationwide service. All fabrication undertaken.  
Tel: Rainham (Essex) 59991  
Telex: 861430 RAINH  
**rainham steel company Ltd**  
Boomer Industrial Estate,  
Dorset Corner, New Road, Rainham,  
Essex. RM13 8ET



## Our towering steelwork sometimes hides the breadth of our civil engineering.

Building big bridges and tall steel structures hasn't always broadened our image.

People sometimes think that this is all we do.

Nothing could be further from the truth.

RDL Contracting Limited is an established civil engineering and building contractor—experienced, versatile and reliable.

We undertake a wide range of work—from

foundations to complete structures and buildings—for public authorities, for commerce and for industry.

RDL Contracting will meet the particular construction needs of the client. So, if you have a civil engineering or building project, then don't overlook RDL Contracting—get in touch with us.



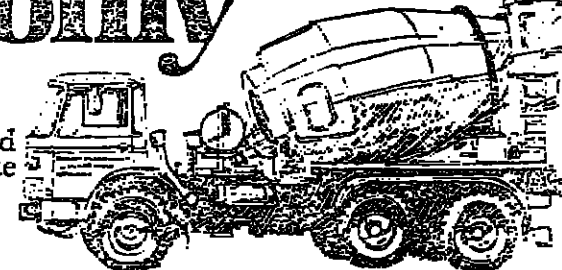
**RDL Contracting Limited**

PO Box 27, Dombridge House, 16 St. Cutberts Street, Bedford MK40 3JX. Tel: Bedford (0234) 65541.  
An RDL company trading as agent for Redpath Dorman Long Limited a subsidiary of British Steel Corporation.

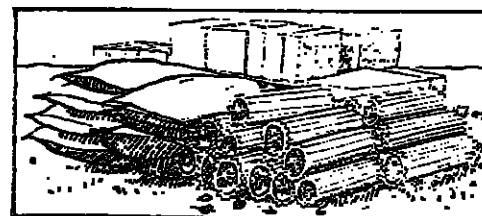
For civil engineering and building.

## Not only

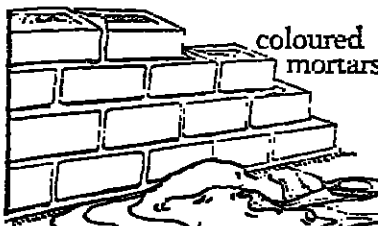
ready mixed concrete



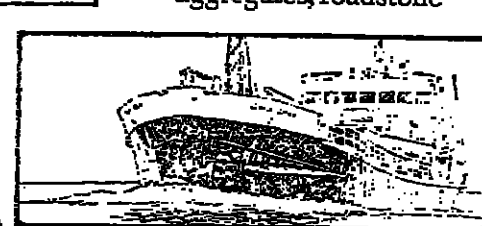
## but also



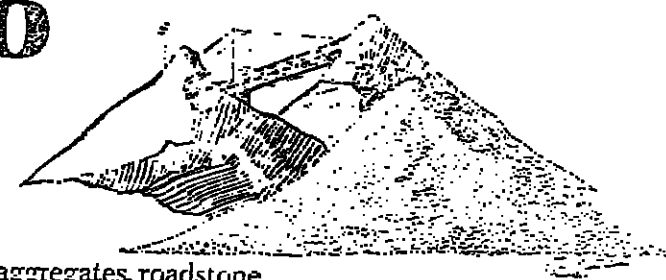
builders' merchants



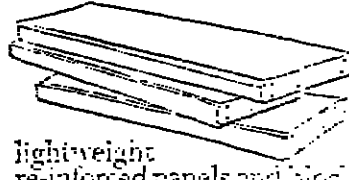
coloured mortars



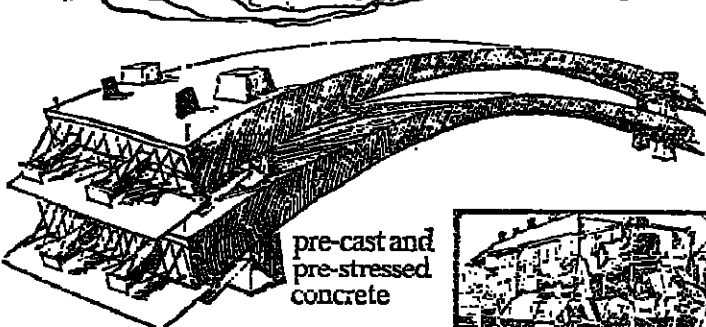
marine aggregates and dredging



aggregates, roadstone



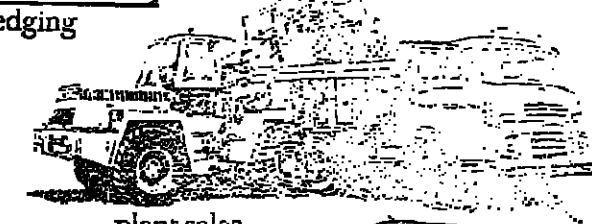
lightweight re-inforced panels and blocks



pre-cast and pre-stressed concrete



coated stone and surfacing contractors



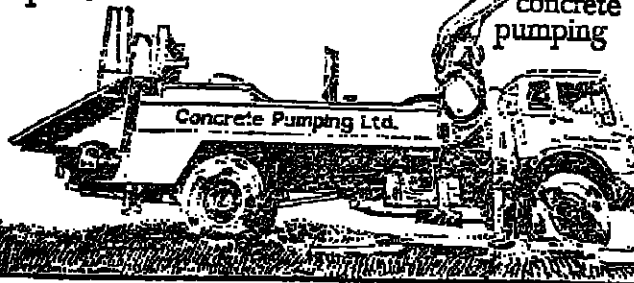
plant sales



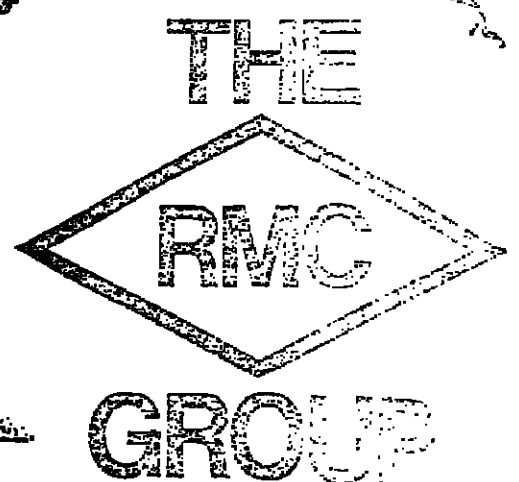
pre-packed materials



waste disposal



concrete pumping





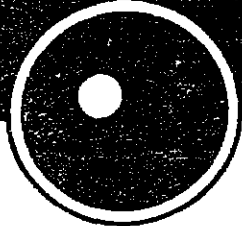
## CIVIL ENGINEERING VI

## Falling profit margins



It's surprising what you find beneath the surface when you look.

You may well discover that the Middle East, Europe and Africa have a lot more in common than you thought. All utilise Hepworth vitrified clay products - drainage pipes and cable conduits. Hepworth keeps things flowing internationally!

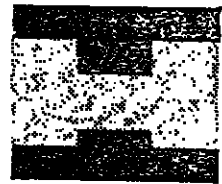


The Hepworth Iron Company Limited.  
Head Office: Huddersfield Road, Sheffield S20 5HG  
Telephone: Barnsley (0228) 763591 Telex 54234

**Hepworth**  
VITRIFIED CLAY PRODUCTS

**D. J. HIGGINS & SONS LTD**  
builders

173 HORN LANE  
WOODFORD GREEN  
ESSEX - IG8 9AG  
Telephone: 01-505 2814 (5 lines)



THERE MAY be some glimmers of recovery in the building and civil engineering sectors but for most companies the worst effects of the recession are just beginning to show through in their trading performances.

In the UK although the bottom of the recession has been passed there is little sign of dramatic recovery. Parts of the building and civil engineering industry have performed well, such as private housebuilding and repair and maintenance work, but public financed construction (providing much of workload for the civil engineer) is still very depressed.

Moreover, overseas markets have become treacherous to operate within. The Middle East, which in better days contributed over a half of the UK contractor's and civil engineer's total overseas orders, has proved a difficult market in which to consolidate any sort of trading position.

## Comparable

However oil revenues have fallen, spending has been cut back, and competition has increased in those areas. There are many well established local contractors and civil engineers, some of which are comparable to companies of Wimpey's strength. There is a close relationship between the middle east and the U.S.

The South Koreans, perhaps aided by government subsidies,

have made large inroads in Middle East markets by undercutting European contractors and civil engineers. In addition tender conditions are onerous with on-demand bid, performance and retention bonds complicating financing requirements of contracts. And fixed price contracts are often insisted upon by clients. All this and immense social, physical and administrative problems have made the UK contractor's life far from easy.

Those that have done well in spite of the problems have been the companies that can offer specialist high technology services such as offshore engineering, or the groups that are of a size that they can afford to endure the financial and trading headaches.

Smaller groups that have attempted to take on the bread and butter work such as road building, or the construction of drainage systems have found the going tougher. And because

they have committed limited resources to developing overseas markets where they have little experience they have often neglected the home market, with the result that some have lost traditional market shares.

As the level of work available in the Middle East and other markets such as Nigeria has fallen so all UK groups have had to look beyond them to North and South America, other parts of Africa and the Far East to sustain overseas workloads. Those less dependent on overseas work have tended to concentrate once again on the domestic market.

In the UK the larger companies have successfully sustained workloads by competing for smaller scale work than they would normally do, although margins have been very thin because of the intensity of the competition.

But while order books are relatively full the dwindling

number of long term contracts has meant that it is a constant battle to keep the order levels up.

Meanwhile civil engineering work is harder to come by than building work. Many companies who have relied on motorway building work programmes to keep up their civil engineering work loads have had to seek other outlets as public spending cuts have bit deep. Large scale industrial projects are often favoured such as power station contracts but these have not entirely compensated for the slump in the road building ordering.

## Essential

Other large companies have found that it is essential to be nearer the customer while conditions are so competitive. Companies which have in the past handled civil engineering orders through a head office have found that it is now easier to secure orders through the regional offices which generally secure the building work. Although the work is often small-scale it is at least maintaining continuity.

Some have sought to offset some of their exposure to difficult market conditions by seeking joint venture or consortium work. And others have sought

to diversify out of pure construction and civil engineering so that their risks are spread as widely as possible.

Over the years many of the larger companies have diversified into activities such as open-cast mining, property investment, oil and gas technology, property development and housebuilding. Others have seen that there is still some growth left in North Sea development work.

Although there have been many acquisitions by the larger groups for smaller concerns during the recession the sector has not seen a rash of mergers among the larger groups.

The larger groups have shunned each other because in many respects there has been an overlap of activities which could ultimately lead to a loss of market share. Instead they have chosen to seek highly regarded specialist companies, through a head office have such as scaffolders or tunnelling operators who operate in areas where they have no capability.

So although in the UK the civil engineer faces a rather uninspiring future, there are encouraging signs that he is making the most of whatever opportunities present themselves.

John Moore

## Status of the profession

WHEN THE Council for Engineering Institutions, the umbrella body representing Britain's 320,000 professional engineers, published its pace-setting report almost three years ago recommending that engineers should join a trade union, it highlighted the growing disenchantment among engineers over their pay, conditions, and status in modern industry.

The Finniston inquiry has received a wealth of submissions since it began work last year. Not all the submissions, however, have been to Sir Monty's liking. In a private letter to the

between Mr. John Lyons's Engineers and Managers Association, and Mr. Clive Jenkins's Association of Scientific, Technical and Managerial Staffs.

But it also paved the way by drawing attention to the engineers' problems for the inquiry to be set up under the guidance of Sir Monty Finniston, former head of British Steel, into the whole engineering profession.

The Finniston inquiry has received a wealth of submissions since it began work last year. Not all the submissions, however, have been to Sir Monty's liking. In a private letter to the

CEI he criticised engineers for being over politic in their comments and for being "high on diagnosis and low on prescription."

Although the committee was keen to have the views of practising engineers he felt there had been too much attention to pay, status, and conditions rather than to the underlying causes.

"What we are lacking from the inputs thus far are constructive proposals to tackle some of these weaknesses," he says. The committee was well aware of the problems affecting the profession in relation to training, deployment, and career development.

But he was keen to stimulate further debate on his inquiry by the profession at large. "The committee want to know what the engineers really think, even if this means that some of the meetings become a bit rumbustious and controversial. In fact if this happens, so much the better."

But while engineers themselves may be a bit reluctant in making their comments to the inquiry, the professional bodies have shown no such reluctance and are engaged in a no-holds barred contest to influence Finniston.

## Conflict

The issue that they have chosen for conflict is whether or not there should be some kind of statutory body to set standards of qualification and rules of professional conduct for engineers as happens in other professions such as lawyers and engineers. The argument is that such a statutory body would enhance the public's confidence in engineers as well as actually helping to improve standards.

Licensing by such a statutory body would give a badly needed boost to the status and standards of Britain's engineers and, as a result, substantially improve the ability of industry to get the best use of investment and take advantage of new technology.

The professional bodies are not, however, split over whether such licensing should take place—although some of the more established bodies are not noticeably wholehearted in their support for the idea—so much as who should carry out such licensing. Statutory registration means that engineers would have their standards of qualification and rules of professional conduct set and administered by a central body. This body would maintain a register of qualified engineers who would be able to use a distinctive title reserved to them by law.

Licensing would have the effect of reserving certain functions and jobs to registered engineers, such as already happens in the UK for doctors and lawyers. As many countries already operate a system of registration and licensing the UK is regarded with suspicion by foreign companies using UK engineers.

The battle lines over the control of such registration and licensing is broadly composed of one side of the CEI together with the Mechanical Engineers and several other CEI member institutions, and opposed to them are the Institution of Electrical Engineers, the Engineering Employers Federation, and the Institution of Production Engineers.

The CEI has told the Finniston inquiry that it believes the council is the appropriate body to carry out registration and

licensing. It points out that it is already setting up a common register covering essential information about engineers. It believes that this form of registration is an efficient, economical and satisfactory method to use.

Such a registration procedure, it argues, would maintain and enforce a code of conduct for the protection of the public and also ensure that engineers belonged to a qualifying chartered institution.

The council believes that formal statutory recognition of its role as a registration body by the government would have the advantage of establishing engineers' credibility, especially in overseas work. It would also help establish in the public's mind the distinction between the professionally qualified chartered engineer and the general worker in industry.

The attitude taken by the CEI, which represents some 16 institutions of varying sizes, reflects the concern by a number of the smaller institutions that a new outside body could threaten their independence.

But the Institution of Electrical Engineers, which is traditionally regarded as one of the more progressive institutions, has made it clear to the inquiry that it believes registration should be carried out by a special publicly accountable council, composed mainly of professional engineers, but not directly linked to the institutions. It argues that allowing the institutions to regulate themselves would not create public confidence in the profession.

The IEE believes its view will win support from Sir Monty whose terms of reference include the need to study the arrangements in other countries. A number of major western countries have registration and licensing controlled by an outside body and earlier this year the institution brought representatives from Canada, the U.S., and South Africa to a special meeting in London for them to explain how the system works.

## Fears

Two of the main fears of UK engineers are that if control goes outside the existing structure the profession would effectively be taken over by politicians and civil servants. But the electrical engineers stress that the administering councils of existing registration bodies are composed largely of members of the relevant professions. The General Medical Council for the medical profession is a typical example.

But apart from the issue of registration and licensing, the Finniston inquiry is also looking at the problems of engineering training, especially at the university level. The Production Engineers, in their evidence, point out that the flow of qualified graduate production engineers has slowed down.

New ways should be devised, the Production Engineers argue, to allow engineers to advance to higher qualifications and to provide for re-certification in areas of rapidly developing technology. The Government should give extra backing, for example by encouraging more people to take up engineering as a career and by providing more maths teachers in schools. The universities should respond more quickly to changing needs by adding new subjects and changing syllabuses.

David Churchill



**We're the right build for weightlifting.**

Carruthers MONOBLOCK Cranes can be found anywhere there's overhead lifting to be done. In steelworks, construction sites, shipyards, engineering works, stockyards - all over the world.

The basic design feature is a single, immensely strong box girder with high torsional resistance. Less deadweight means reduced operating costs. And standardisation in production means that any type of MONOBLOCK crane can be assembled quickly and easily from stock parts. To lift anything from steel to scrap metal, cable to concrete pipes.

Over the years, this award-winning MONOBLOCK design has become even more robust and reliable. And Carruthers provide a contract maintenance service and fast spare parts delivery to back up its excellent performance record.

Carruthers MONOBLOCK cranes are built to lift - and last.



**Carruthers**  
MOVE UP WITH MONOBLOCK  
J. H. Carruthers & Company Ltd.  
Peel Park Place, College Milton, EAST KILBRIDE, Glasgow G75 5LR

**SELF LOADING TRUCK MIXER**



**HYDROMIX 25**  
Fully hydraulic operation - Double spiral mixer drum  
Self Loading - High discharge loading shovel  
4-way hydraulically controlled discharge chute  
Hydro-mechanical transmission - 4 wheel steering  
4.3m. turning circle - Rear engine for less noise  
25 kph. road speed - Totally enclosed disc brakes  
Fully enclosed cab

AGENTS REQUIRED IN COMMONWEALTH COUNTRIES

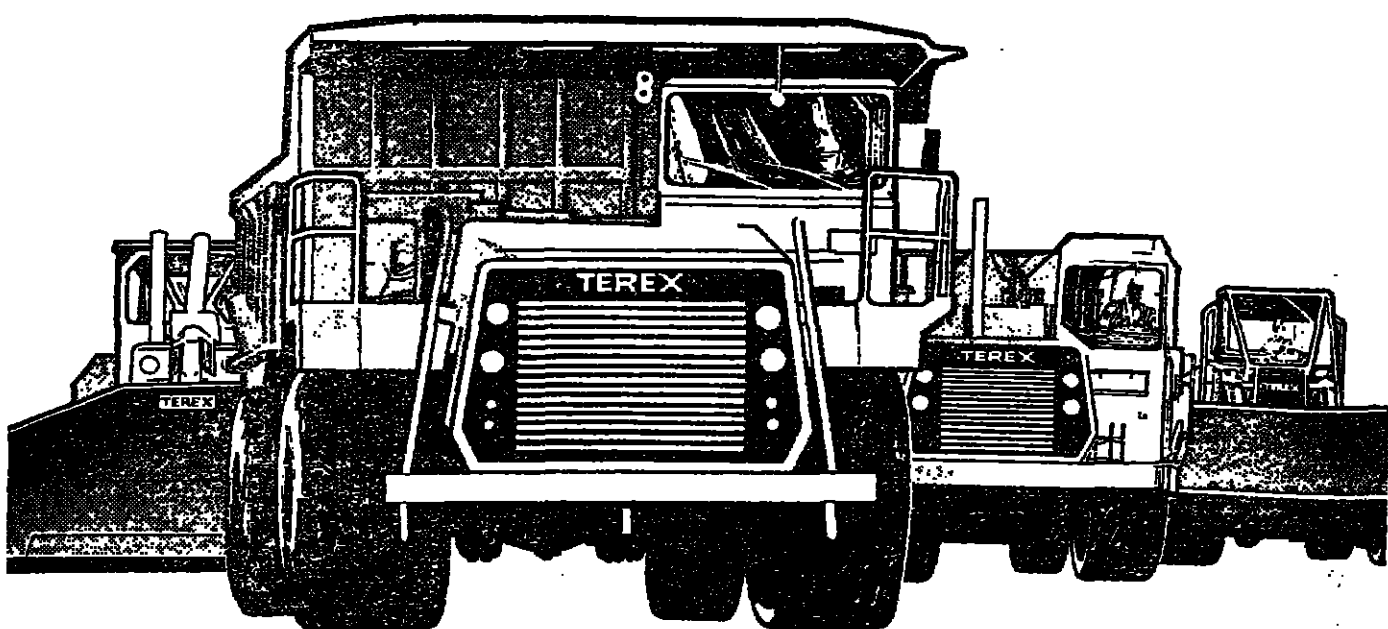
**utranazz**

UTRANAZZ (BOURNE END) LTD., PRINCES ROAD, BOURNE END, Bucks, ENGLAND.  
Tel: BOURNE END (STD 05285) 23898 and 23344 Telex: 649257

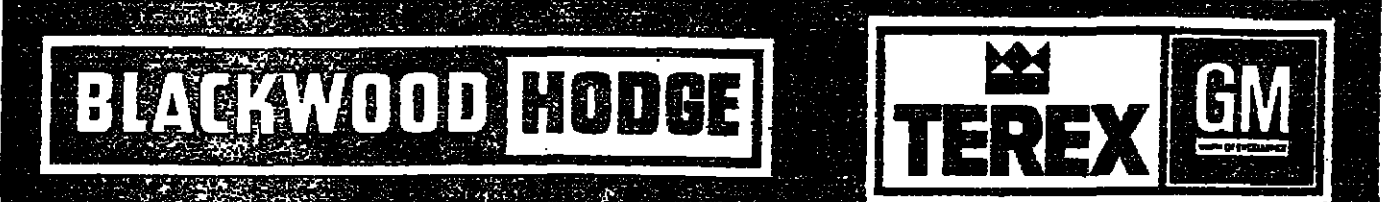
**TEREX**  
Earth moving equipment

When you buy Construction Equipment buy EXPERIENCE.

Check the experience of manufacturing in Europe and Service back up in Europe with what you buy when you buy Terex from Blackwood Hodge.



**Sold and serviced by BLACKWOOD HODGE**



Handwritten signature or note at the bottom of the page.



# Stockhausen's Reise

by DOMINIC GILL

I wrote here a fortnight ago a young German hunter in about the unveiling of the new serious pursuit of exotic kitsch. Espace de projection at IRCAM. He climbs steps to a raised circle—the Institut de Recherche et d'Essai, giving an Impulse Musique which lies deep under the four ground next to the Centre of the compass. The Pompidou in Paris. The Espace music begins. And it is indeed a remarkable room, with like almost no music Stockhausen—powered walls and Hansen has written before: there ceilings, capable of adjustment are echoes from earlier works to almost any sound, and some actual textual borrowings. But they are dealing. Its at once as an acoustical research area, a theatre, a recording studio, and also as a small Stockhausen's Trams: the same concert hall seating up to 400 people. The brain of IRCAM, Boulez called it the meeting-point of sound, colour, and eddies of point and nerve-centre of the sound blown like smoke.

It was natural enough that the first public presentation of the Espace should be a concert. A pair of concerts in fact, two weeks apart, devoted to four new works commissioned by IRCAM this year in partnership with the Donaueschingen Festival, and performed by the Institute's resident instrumental ensemble, the Ensemble InterContemporain. At the same time, we heard new pieces by York Höller (from Germany), and Bala Trümper (Switzerland)—this last a work which marked the successful completion and first use of a new ultra-rapid digital computer synthesizer, developed at IRCAM by the Italian physicist Giuseppe di Giugno, and which may eventually, I suspect, be seen as one of IRCAM's most revolutionary technical achievements. But the most substantial work of the four, as it happened, made no use of IRCAM's avant-garde technical resources—the only electrical effect prescribed by Stockhausen in his new *Michael's Reise am die Erde*, for solo trumpet and ensemble, is simple amplification.

*Michael's Journey* round the World is the second part of a long-term project which Stockhausen entitles *Licht*. Just as his last major work, *Six*, used the seasons of the year and the signs of the Zodiac, *Licht* gives new sense, in the seven days of the week. It is a journey of epic, Wagnerian measure. When it is complete—even though many of the parts will be purely instrumental, Stockhausen calls it "operatic"—and envisages an opera stage as the ideal venue—the whole work will take seven evenings to perform. The first part, *Der Jahreslauf* for dancers and orchestra, given its premiere in Tokyo in October last year, corresponds to Tuesday. *Michael's Journey* is an extract from Thursday—the whole "day" of which is planned to be staged at the Scala in Milan in March 1981. The trumpet Michael, played in this performance by Stockhausen's son Markus, enters from the right of the stage, dressed in mauve velvet pants and a full-sleeved white blouse, carrying an array of trumpet mutes on a wide belt around his waist—like nothing so much as a

## Festival Hall

# Schoenberg and Shostakovich

by DOMINIC GILL

The Royal Philharmonic preter, warm and forthright, and Orchestra under Lawrence Foster excellently clear, commanding devoted their programme on Sun-just the right clean, crystalline day to two works, each radically timbre at climaxes to pierce the different style and intent, but both beautiful things. He found both completed, if not strictly beautiful things in his speaking in the same calendar music: the sighing poetry, as year, within 12 months of each well as the quick, deft prosody, other, between December, 1941, of the opening section; the dark, and December, 1942—a veritable sharp-edged contrasts of the mirror in miniature of the slow-movement cadenza; the polarities of the mid-20th-century floating colours, eddying in and tury. Shostakovich's Seventh, out of the orchestra texture, of "Leitmotiv" still crops up quite regularly in the concert hall, for all its epic length, and its rank extremes of light and shade, as arguably one of the less subtle, but the quieter concussive of Shostakovich's variations, the subtler middle "heroic" symphonies. Schoenberg's piano concerto, on the other hand, barely half an hour long, and one of the minor masterpieces of this century, is ride, but it can be drawn these days very rarely heard, together more smoothly, and the neglect is wrong, and more sensuously. A promising strange—for there is no work partnership, nonetheless, that of Schoenberg's late period less must surely mature.

**Imperial aids**  
**Glyndebourne**  
 Imperial Tobacco is to sponsor two new productions at Glyndebourne—*Fidelio* in 1979 and *Der Rosenkavalier* in 1980. In the past, the company has produced two Mozart operas—*Don Giovanni* in 1977 and *Die Entführung aus dem Serail* in 1978. Bernard Haitink will conduct both the forthcoming operas; Peter Hall will produce *Fidelio* and John Cox *Der Rosenkavalier*.

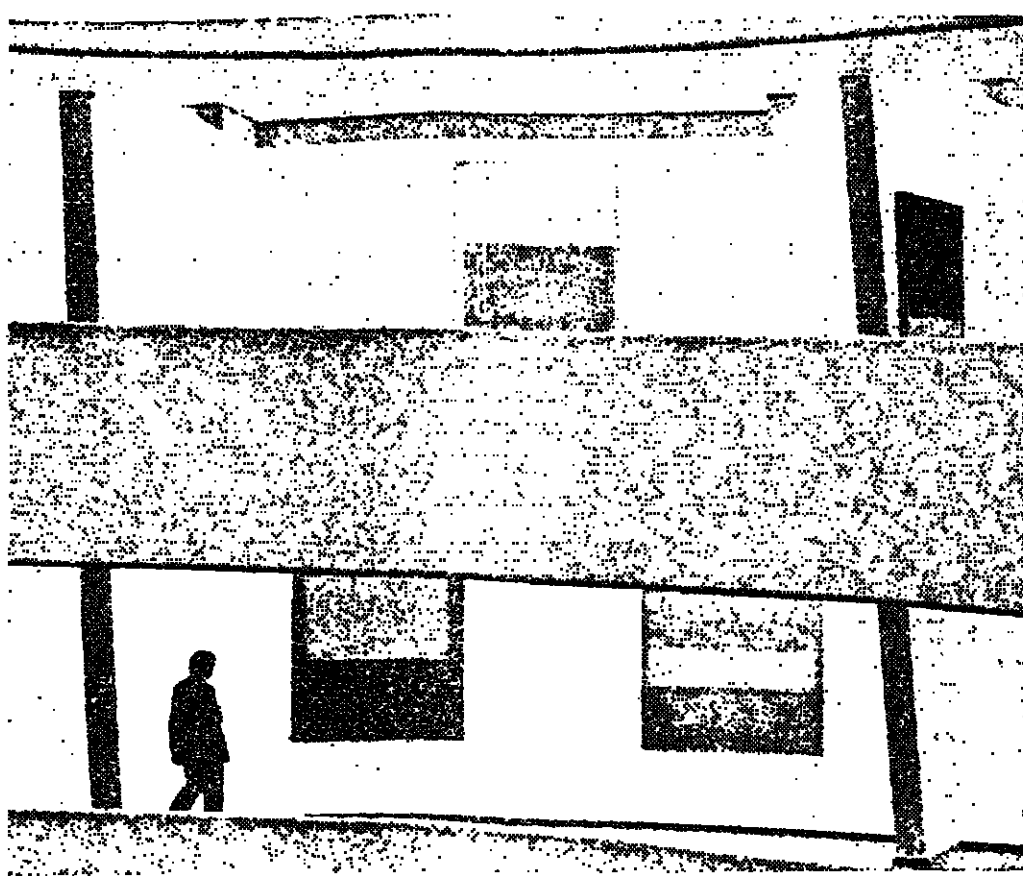
# Mark Rothko—the inward landscape

by WILLIAM PACKER

The first Mark Rothkos that I ever saw in the paint, as it were, are still after some 15 years, very clear in the memory. A collection of his smaller recent works shown very much to advantage in the Bond Street basement of what delicacy now impels me to refer to simply as one of London's leading galleries. A fellow student, one not particularly noted for his piety, in urging me to visit the show, remarked that it was like nothing so much as going to church. And so indeed it was: the paintings sat quietly on the walls, calm, simple, glowing objects of contemplation possessed of the emotional power and impassive authority of the authentic icon.

Rothko's paintings had been shown in London before, but not extensively nor even regularly, and always in group shows of what we were already calling the New York School, that loose and sometimes misleading association of Pollock, de Kooning, Newman, Gottlieb, Motherwell, Hoffman and the rest, whose work in the '50s, so new, exciting and seductive, and backed up by the most plausible and effective national critical machine, had first intimidated and then swamped our uncertain European sensibility.

It has long been necessary to assimilate American Art once more within the wider western tradition to which it naturally belongs, and with which, in the War years at least, it once was openly identified. Many of the artists driven into exile from Hitler's Europe found their way to New York, where they were well received and naturally influential. In 1943 the Federation of Modern Artists and Sculptors, to which Rothko and his fellow exiles belonged, restated its earlier condemnation of artistic nationalism, and went further to say: "As a nation we are being forced to outgrow our narrow political isolationism. Now that America is recognised as the centre where art and artists of all the world meet, it is time for us to accept cultural values on a truly global basis." Twenty years on, these American values have given those words a somewhat hollow ring.



The Mark Rothko exhibition in the Guggenheim Museum, New York

Today, however, the signs are not to be made up by some rather equivocal husbandry in the accompanying publication. But what we were seeing in almost every case was the mature work, picked up and celebrated only quite late in the careers of the artists concerned, when critical acceptance and subsequent expectation insisted their repeat: and we remained unaware, a certain amount of Greenwich Village romanticism apart, of early struggles, attitudes and influences, and the route by which the present position had been achieved. The rationalisations came with all the advantages of selective hindsight: these artists had been making the same pictures, estab-

lished their final style, for ten years or more, and surely that was enough. L'Esprit nouveau was a dreadful thing, and it never occurred to us, as we looked at each Emperor in turn, to ask him who his tailor was. These Americans were, indeed, some still are, major figures; but their implied isolation, the suggestion that their Art was somehow a fact of Nature, pure and unadorned, and only lately discovered, was as unfair to their reputations as it was unreal.

But both there, and at the Guggenheim, we are shown the early work in unprecedented detail: and the connections are there to be made by anyone who

care to do so. Rothko to Ernst-like, mythic images crowd-Tanguy, de Kooning to Picasso and Matisse, Bazziotes to Miró and Klee, Hofmann to Soutine, Gottlieb to Magritte, and so on and on. And what emerges, helped by some magnificent paintings at the Whitney, a de Kooning Pink Lady of 1944 for example, and several major Gorkys, and by the extraordinarily impressive sequence of Rothkos at the Guggenheim, is that the great age of American painting came not so late as it had been led to suppose, but rather earlier, was probably over by 1950, and was at its peak during and just after the War itself, when the artists were comparatively unknown, active, enquiring, and unself-consciously ambitious as they measured up to their unexpected guests. The vestigial, Picasso-esque figurative, grow ever more interesting.

The Rothko show is a wonderful treat, despite the difficulties the Guggenheim itself puts in the way of the truncated distant view of all the larger works, and the sacrifice of the crucial middle view entirely: the work does triumph over the architecture. The hang is not strictly but effectively chronological, carrying us through the development, phase by phase, from the statuesque and symbolic figure compositions of the late twenties, and the stylised, attenuated figures of the thirties, through the surreal abstraction of the forties and early fifties, to the serene, almost euphoric achievement of the fifties, to the darker mood of the sixties and the final despair.

The coherency of the total oeuvre becomes very plain. From the first the compositional structure is simple and strong, with a pronounced vertical horizontal emphasis and a shallow pictorial space: the characteristic division of the ground into horizontal bands appears surprisingly early. By the late thirties the figures have given way to something more fragmentary and associative, and openly surrealistic, totemic,

and after the War, the colour clears, the paint becomes firmer, the mood lightens, imagery is now reduced to the simple abutment of colour against colour field by field, the drawing not imposed but implied, the brushwork teasing each element up to its neighbour in the nicest accommodation. By the late forties the simplicity that marks the rest of his life's work is established; and at the end of a decade of rapid and continuous change, are among the most beautiful and exciting of them all.

It has been suggested that Rothko's suicide, in 1970, was caused by unbearable commercial pressure upon him, and the open exploitation of his work; but it might have been due, at least in part, to the realisation that he himself had made and put on a stylistic straight jacket that he could not get off. For 20 years he had used essentially the same painterly formula, and his final works are very moving in their despair. Yet in that threat he produced many great paintings, some of them among the most ravishing ever made: and through them, quite as much as through the more obviously directed earlier work, we too may consider the fundamental abstractions that Rothko always saw as his essential subject, the worlds of experience and imagination, and at last the tragic silence at the heart of the human mystery. He was, without doubt, a great artist.

## New York dance

# Merce Cunningham

by DAVID VAUGHAN

Merce Cunningham formed his first company 25 years ago. He is not given to celebrating that sort of jubilee—he's probably more interested in what he's going to do next—but the programmes of his recent season at the New York City Center did provide a retrospective of his repertory going back as far as the late fifties (*Summerance* and *Rune*), as well as presenting several works new to local audiences. The first of these, *Inlets*, given in Seattle, Washington, last year, is a collaboration between Cunningham, John Cage, and the Northwestern painter Morris Graves, who met each other in that city some 40 years ago.

The piece evokes the climate and geography of the Northwest United States: the very title suggests the landscape of Puget Sound. A gauze curtain hangs across the front of the stage, through which the dancers are seen, dimly at first, as though in a mist, while behind them a large silver disc moves slowly across the backcloth. There is a great deal of stillness in the dance—even when some of the dancers are leaping about the stage, at least one is usually holding a static, often archaic pose.

As with so many of Cunningham's works, one inevitably responds to *Inlets* as drama, rather than as "abstract" dance. In this case the drama of natural events of time and tide, Cunningham's big new company work, *Exchange*, on the other hand, seems to depict an urban landscape, an effect heightened by the gritty greys of Jasper John's backcloth and costumes, and the industrial noises of David Tudor's score, which sounds like sirens, lathes, pneumatic drills. It may be these elements that create the initial impression of an unrelentingly stark, even sombre, vision, but then Cunningham's works are the product of collaboration, and he is never fortuitously arrived at.

To some extent the title of *Exchange* indicates the nature of the choreographic structure: one group of dancers is replaced by another, then later these groups intermingle, with some switching of partners among the couples. One sequence in which four women move around, under, and over Cunningham as he lies prostrate on the floor is later repeated and elaborated by a single woman and another man.



Karole Armitage and Robert Kovich in 'Fractions'

The theatrical impact of these pieces owes much to Cunningham's own presence as a possibly tragic protagonist, isolated from the younger dancers of his company. It may be true that, in terms of agility, he can do less and less, but he finds more and more ways to do it. His new solo, *Tango*, shows him in familiar guise as the most elegant of clowns, arms and legs shooting out at absurd angles while he passes a small cloth from hand to hand. At the end he puts his right arm into the sleeve of a trenchcoat and thrusts it up and out, a typical Cunningham gesture. His "partner" in this tango is a colour television set, which doesn't stand a chance against him. Cage's music, called *Letter to Erik Satie*, begins with Cage himself vocalising the individual letters of Satie's name. In some of the older works, Cunningham has relinquished his

own roles to Chris Komar and Robert Kovich, the freedom and breadth of whose arial movements recall Cunningham's own in former days. The current company is the largest Cunningham has ever had, 15 in all, and

## Mitchell Prize

The 1978 Mitchell Prize for the History of Art (\$10,000), a major annual prize initiated last year by Mr. Jan Mitchell of New York City, has been awarded jointly to Martin Butlin and Evelyn Jolly. It was given for their definitive, comprehensive and fully illustrated volume *The Paintings of J. M. W. Turner*. This two-volume work was published in 1977 by the Yale University Press, New Haven and London, for the Paul Mellon

one of the strongest. Their quality as an ensemble is clear in the large effects of *Exchange*, while individual brilliance is seen in another new work, *Fractions*, originally choreographed as a video piece taped in Cunningham's own studio, and revised for the stage. Both Komar and Kovich have virtuoso solo passages, as do Karole Armitage and Lisa Fox, and there are some beautiful duets, including one for Armitage and Kovich, their bodies slowly folding and stretching about each other.

Although, as is well known, Cunningham habitually uses chance methods of composition, there is an economy and austerity in the resulting works that can only be called classic. The long ballet *Torse*, for instance, though made according to a chance structure derived from the I Ching, achieves, with its solo "voices" emerging from the complex antiphonal patterns of the ensemble, the purest kind of visual music, a choreographic concerto grosso. At the same time, his work is always theatre; for his ballets to make their fullest effect, it is important that the dancers have some character for individuals, and the strength of the present company lies as much in that quality as in their impressive technical strength.

But Cunningham stands alone, by virtue of the power of his gesture and the authority of his presence: one of the most moving things about dancers is their capacity to endure (one thinks of Fonteyn, Astaire, Danilova), and Cunningham is a living embodiment of the truth of Brecht's statement that the purpose of theatre is to teach us how to survive.

## Wigmore Hall

# Irina Arkhipova

Another Russian Sunday at the Wigmore Hall. Last week we heard the baritone Masurok, this time another big star, the mezzo Arkhipova. The effect, however, was different. At the present stage, at least, Arkhipova cannot quite rival Masurok's exceptional vocal quality, though she herself has a fine, even, lustrous instrument in spite of a hint of two now of wear and tear—in mezza voce passages, for example, an interpreter, she beats her colleague hands down. She communicates; he just sings. From the first phrase of Marfa's fortune-telling aria from *Khoroshchina* on Sunday she held her large audience with her forced command of the grand style.

More Mussorgsky came later with the *Song and Dance of Death*—in the "serenade" the singer allowed her tone to become quite opulent, the "tre-pak" was dramatic without exaggeration. In between she gave us four songs by Georgii Svirlidov (born 1815), described as a "cycle of poems" by Isaakian—whether they are a complete cycle or excerpts from the "marathon setting" described

in the book *Soviet Composers* by Krebs the programme did not make clear. Anyway, Miss Arkhipova made a good case for them, with their well-worn Russian idiom economically and effectively used with an occasional telling displacement. After a Covent Garden length interval she sang Chaikovsky and Rakhmaninov. Of the former, Pauline's song, from *The Queen of Spades* and *Six Songs on poems by Daniel Raskin*, which include the delightful "Again, as before, alone" and two less familiar but very choice lyrical outpourings, "The sun has set" and "In sombre days." Of Rakhmaninov, "The lilies," with the voice fined down to a rivulet and the sad one that sounds like a reminiscence of "Frances Igor." Singers who allow themselves the emotional luxury of both these composers ought to include Glinka as well for salt and lemon juice. Miss Arkhipova did not do so but righted the balance with a surprise encore in the form of Chepur's first aria from *Figaro*, and then with the lovely unaccompanied aria from Rimsky's *The Tsar's Bride*. RONALD CRICHTON

## Elizabeth Hall

# Eschenbach and Frantz

On Sunday afternoon Christoph Eschenbach and Justus Frantz completed their cycle of Mozart's music for two pianists. It was spread rather thin—there was just 55 minutes of music this time, exclusive of encores; but the weight of a programme drawn from Mozart's last decade K 428, which we heard earlier is not to be chronometrically assessed, and assessed, it began and ended Eschenbach and Frantz shaped on two pianos, with four-hand and shaded it with extravagant arrangements for one piano in subtly.

between. Of the latter, the Fugue K. 401 goes as well on and hyper-sensitive, and the four hands as on two, and was buoyant brilliance of the two-piano Sonata in D, K. 448, promised to challenge them. In the other, dual-version (by event we had a winning compromise: the pianists ushered in the finale of Chepur's first aria from *Figaro*, and then with the lovely unaccompanied aria from Rimsky's *The Tsar's Bride*. DAVID MURRAY

everybody's hands and snatching them away from the bottom to the top. Though precisely elegant, it wanted power—despite its intended original instrument, it is not a miniature, exclusive of encores; but the weight of a programme drawn from Mozart's last decade K 428, which we heard earlier is not to be chronometrically assessed, and assessed, it began and ended Eschenbach and Frantz shaped on two pianos, with four-hand and shaded it with extravagant arrangements for one piano in subtly.

# Delta Flight 11.

## Daily non-stop between London and Atlanta, Georgia.

Only Delta Air Lines flies non-stop between Gatwick Airport and Atlanta, Georgia, capital of the U.S.A's Southeast. Delta Flight 11, a Wide-Ride L-1011 TriStar, leaves London at 1210 and arrives in Atlanta at 1625 every day. Flight 11 continues on to New Orleans, as a Boeing 727, arriving at 1830. From Atlanta, it's just an easy Delta-to-Delta connection to any of 50 U.S. cities. No other transatlantic carrier offers as many connections with no change of airline. For information and reservations, call your Travel Agent. Or call Delta in London at (01) 668-0935, Telex 87480. Or call Crawley (0293) 517600 at Gatwick Airport, Horley, Surrey, RH6 0DY. Delta Ticket Office is at 140 Regent Street, London, W1R 6AT.

London-Atlanta Basic Season Fares	
Budget or Standby Single Fare	\$ 82.00
Basic APEX (Advance Purchase Excursion) Return Fare	\$214.00
14-45 Day Basic Excursion Return Fare	\$270.50
Regular Basic Economy Single Fare	\$198.50
Regular First Class Single Fare (Valid all year)	\$367.50

All fares subject to change without notice.  
 Basic Budget, Standby and APEX Fares are valid until June 30, 1979; basic 14-45 Day Excursion and Economy Fares until June 14, 1979. The regular First Class Fare is valid year-round.

**Delta's Super Saver Fares. Save up to 40% on flights within the continental U.S.A.**  
 It's the travel sale of the decade. You can save 30 to 40 per cent off regular round-trip Day Economy Fares with Night Economy Super Savers to most Delta cities. And 25 to 35 per cent off with daytime Super Savers to all 86 Delta cities in the continental U.S.A. Naturally there are some qualifications. Call Delta or your Travel Agent for details. **DELTA**



Delta is ready when you are®



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telegrams: Finantime, London FSA. Telex: 58041/2, 583397

Telephone: 01-545 5000

Tuesday November 7 1978

## The power of emotion

THE UNEXPECTED result of the Austrian referendum on Sunday, which effectively brings the country's nuclear programme to a halt, will bring great encouragement to anti-nuclear campaigners in other parts of the world. Although the majority was narrow—the turnout was 64 per cent and only 50.47 per cent of the votes were against the commissioning of Austria's first nuclear power station—this does not alter the fact that Chancellor Bruno Kreisky, a popular and well-respected leader, has suffered a serious political and personal rebuff. The outcome may make politicians in other countries even more reluctant to commit themselves on an issue which evidently arouses such passionate and well-organised opposition. This in turn will increase the feelings of frustration and uncertainty within the nuclear industry itself.

## Opposition

In virtually all the industrial countries the expansion of nuclear power has been held back by public anxiety over safety and environmental difficulties: at the present time the main focus of attention appears to be the handling and storage of nuclear wastes. In the U.S. it now takes some 10-12 years to build a nuclear power station and attempts to speed up the licensing procedures have met with fierce opposition from environmentalist groups. Two years ago voters in California and several other states decisively rejected proposed bans on nuclear power, but this has not prevented other legislative obstacles from being created.

In West Germany the nuclear programme has been impeded both by court decisions and by violent demonstrations on sites chosen for new power stations. In Sweden hostility to nuclear power was one of the factors that led to the downfall of the Social Democrats in 1976: although the leader of the victorious coalition, Mr. Thorbjörn Fälldin, failed to carry through his promises on nuclear power and has been forced to resign, the issue remains a dangerous and divisive one in Swedish politics.

As the Austrian case shows, opposition to nuclear power comes from a wide variety of groups and it is often difficult to see what common threat unites them. It is tempting to suggest that if only people knew

more about nuclear power, including its safety record, their doubt would be allayed. But, as Mr. Justice Parker pointed out in his report on the Windscale inquiry, "in some cases anxiety and hostility can be dispelled by greater knowledge, in others they may be increased, while in yet others they will remain no matter that those who feel them recognise them to be irrational." The anti-nuclear movement includes some elements from the lunatic fringe on the Left and on the Right, but it also has some articulate and persuasive spokesmen who appeal to a wider audience, especially in the U.S.

Because of the technical complexity of nuclear power, and because it is so easy to stir up emotions by references to Hiroshima and Nagasaki, there are obvious advantages in obtaining public consent by means of a public inquiry, on the British model, rather than through a referendum. But, however, dispassionate and intellectually compelling the conclusions of a public inquiry may be, it will not in itself silence the opposition. Obtaining support from an independent tribunal does not eliminate the need for a continuing effort by political leaders to explain why nuclear power is necessary.

## Education

Convincing the public that nuclear power is needed and is safe has become one of the central tasks of energy policy. Energy forecasting is notoriously hazardous, but few would disagree with the conclusion reached at the London Summit last year that "increasing reliance will have to be placed on nuclear energy to satisfy growing energy requirements and to help diversify sources of energy." Unfortunately a good many people either do not accept this general proposition or believe that a large-scale commitment to nuclear power will damage irreversibly the social and environmental fabric of their country. In a country like the U.K., where the anti-nuclear lobby is at present relatively weak, politicians may feel under no great pressure to take a stand on these matters. But the Austrian example should remind them that the campaign of public education cannot begin soon enough.

## Moderation at Baghdad

THE OUTCOME of the Arab summit meeting in Baghdad, which was held to marshal opposition to President Sadat of Egypt and to the Camp David accords on the Middle East, is the best that could have been expected. At least in public, the 21 states which attended the conference have simply reaffirmed their disapproval of the Camp David agreements. Some of the resolutions of the conference have been kept secret, but it appears that the Arab states failed to agree on an economic and political boycott of Egypt, on the removal of the headquarters of the Arab League from the Egyptian capital, or on the provision of funds to strengthen the states still confronting Israel.

## Separate peace

This appears to be a success for the moderate Arab states, led by Saudi Arabia, which, while disliking the idea of a separate peace with Israel, did not wish to weaken President Sadat's position. The opposition to Mr. Sadat has not become any more dangerous, and there seems to be little to hinder him from going ahead with signing the peace treaty the details of which appear to be nearly finalised with Israel in Washington.

Yet the fact that the Arab states have taken a common stand against the Camp David accords cannot be ignored. The consensus groups the more conservative states alongside the more radical, like Syria and Algeria. The unpublished agreements reached at Baghdad may allow individual states to take action on their own against Egypt if Mr. Sadat goes ahead and signs a separate treaty with Israel, and while it seems likely that Saudi Arabia will continue its large-scale financial support to Egypt, it is less certain that Kuwait and the United Arab Emirates will do so, at least as generously as they have up to now.

Before the summit began Syria sank its differences with its powerful neighbour Iraq to form a common front which has large financial and military resources. These could, if effectively deployed, pose a major threat on Israel's northern and eastern flanks. Iraq's own prestige in the Arab world is increased by its having staged a conference which did not divide or break down over the host government's own uncompromising radicalism, as might have been expected. The new axis of Iraq and Syria has become the core of the opposition to President Sadat and makes it almost inconceivable that at this stage King Hussein of Jordan could contemplate any kind of negotiations with Israel under the framework of the accord reached at Camp David. In relation to the Israeli-occupied West Bank and Gaza Strip, the close links Syria and Iraq both have with Moscow give the Soviet Union a potentially stronger position in this part of the Middle East than it has had for some time.

## Palestine problem

Yet it is very difficult to see how this axis can in practice prevent a peace treaty from being signed between Egypt and Israel. The Baghdad consensus of Arab states cannot be stretched too far. The Soviet Union has not indicated that it has anything new to offer as a solution in the Middle East. The most constructive policy that the Arab states can pursue is to see what more can be extracted from Israel than it conceded at Camp David, which obviously fell well short of the basic Arab demands for a settlement of the Palestine problem. The strengthened military posture of the northern states puts the Arabs in a stronger position to negotiate. It is a striking fact that the Baghdad declaration has no outlawed negotiations.

## U.S. mining's search for a healthier environment

BY PAUL CHEESERIGHT

THE ANTAGONISM of the U.S. mining industry to governmental regulations, especially those dealing with environmental controls, has reached such a pitch that one industry leader, Mr. Charles Barber, chairman of Asarco, a major minerals group, and vice-chairman of the American Mining Congress, has been driven to apocalyptic comment. "Unless something changes, 10 years or 20 years from now our mineral industry will have disappeared," he said.

It is the cost of conforming to the regulations, especially at a time of depressed market prices for many minerals, which is the basis of industry complaints and fears that it will lose its competitiveness in the face of cheaper overseas producers. But the Carter Administration's anti-inflation policy may be the instrument for softening this antagonism because it has led to the first examination of the economic effects of governmental regulation on industry.

## The impact of regulations

The Administration's message was carried to the industry's annual convention—the meeting of the American Mining Congress, held recently in Las Vegas.

Mr. Robert Strauss, the President's counselor on inflation, told the congress: "The President has recognised that any meaningful attack on inflation must come to grips with the impact of government-imposed regulations. As a beginning, the President last March signed an Executive Order requiring agencies to analyse the necessity and cost effectiveness of all proposed regulations and that they assess the implications of alternative approaches."

It was an implicit acknowledgement that the industry had a case. Certainly the case was repeated often enough, in one instance by Mr. I. G. Pickering, the vice-president for environmental affairs at Kennecott Copper. "Government, through its agencies, embarked several years ago on a course of achieving environmental, health and safety absolutes, and it has not changed that course in spite of the warning signals it has been given through the mining industry, to name just one of many," he said. "If the Government continues to require that the mining industry commits its assets to pollution control until it is at break-even point or is failing, the industry cannot continue to exist as a viable industry in this country."

Or, as Mr. Barber said when commenting on a Department of Commerce study which showed that by 1987 the cost to the copper industry of meeting environmental regulations would rise to a total of \$4.5bn:

"The subject in terms of the national interest is too serious for oratory."

The Department of Commerce study extended work done for the Environmental Protection Agency, the industry's bete noire, and is part of the process of looking at the cost effectiveness of the regulations. The difficulty is that nobody has yet found a means of measuring the economic benefits of pollution control.

Mr. Douglas Hale, the senior economist at the EPA, acknowledged at the conference that much had been written about theoretical approaches to evaluating reduced health risks, reduced property damage, higher crop yields and so on. But he added: "If you ask the hard question—is the benefit estimate good enough to base significant public policy decisions on—the answer is no in almost every case."

This might seem on the face of it a rather academic argument, or just another chapter in the lengthy chronicle of mining industry disputes with a government—after all, they go on all the time. But the issue is of wider importance because of the mining industry's role as one of the motors of the U.S. economy.

Last year, according to the Department of the Interior, the value of U.S. domestic non-fuel mineral production reached \$16.99bn, and was the basis for approximately \$170bn worth of processed materials of mineral origin.

As a rough yardstick of comparative values, the worth of U.S. manufacturing production in 1977 was \$583.9bn, expressed in 1972 dollars.

But the issue of governmental regulations also has strategic implications. It has been noted that metal imports have grown

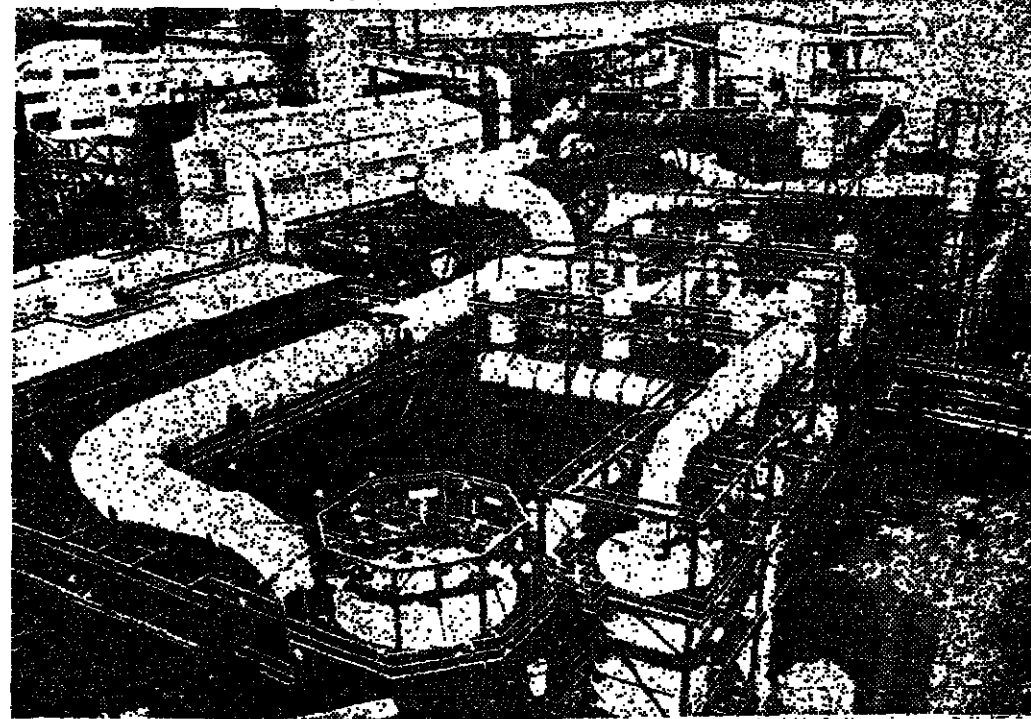
government, has become increasingly concerned about the health of the U.S. minerals industry and the security of our future minerals supplies from abroad.

It was not for nothing therefore that, following a reorganisation of the Executive Office of the White House, minerals policy was singled out as the first area for review under the Domestic Policy Review system, created in September, 1977.

Called the Nonfuel Minerals Policy Review, the work will be split into two parts. The first, Problem Analysis, will be completed by the end of this year, and the second, Policy Analysis, by August, 1979.

Particular attention will be given to 13 minerals, among them asbestos, chromium, cobalt, manganese and nickel where the U.S. import reliance is above 70 per cent, and others like copper where the industry is depressed not only because of the state of the international market, but because of the inability to reconcile the needs of industry with the environmental policy of the Administration. However, of more significance for the future of the industry's relations with both the federal and state governments, a conscious attempt is being made in the work of the review to balance all the interests involved.

Mr. Roger Markle, recently appointed director of the Bureau of Mines told the conference: "Every federal agency with a major interest or impact on mineral supply is participating, and the review has been planned and organised to maximise their contributions. Among them are the Departments of Interior, Treasury, State and Commerce, the Environmental



The maze of pipes in a new acid plant at Kennecott Copper's refurbished smelter near Salt Lake City. By helping the capture of sulphur, the plant improves ambient air standards. Recent investment in the smelter has cost \$230m. But the industry is increasingly worried about meeting the cost of anti-pollution regulations.

basic reason for its generally poor relationship with the federal Government, it is that neither side has a clear idea of what it wants from the other. The relationship, as a politician from the Western states put it, is one of confrontation.

The Mining and Minerals Policy Act, 1970 sought to establish the conditions necessary for a healthy mining industry. But now the industry is boxed in by a series of Acts—Clean Air, Federal Water Pollution, Marine Protection, Federal Insecticide, Safe Drinking Water, Toxic Substances Control, Resource Conservation, Surface Mining Control and Reclamation and Clean Water. All these were passed between 1970 and 1977.

In effect, the industry has found that the old, free-wheeling days have gone and it has not been able to define a policy which takes account both of the concerns of a general public more interested in national parks and clean air, and also of its own need to make profits for survival.

At the same time, however, public opinion as reflected by Acts of Congress in recent years, has not yet come to terms with the fact that more expensive methods of production ultimately mean more expensive manufactured products. There is little evidence that the public in the U.S., or anywhere else for that matter, realises or even wants to know that, for example, 40 minerals are used in the manufacture of every telephone.

Washington officials have been using their Congressional mandate for cleaner air, water and so on with vigour. But one of the difficulties has been that there has been no attempt to

formulate a co-ordinated environmental and regulatory policy. Acts have emerged from Washington, each one worthy in its own way, but unrelated to what has gone before or might indeed come afterwards.

Each area of environmental protection has spawned its own agency. Thus, in addition to the EPA, the industry has to deal with a range of bodies like the Office of Health and Safety Administration, the Mining Safety and Health Administration, as well as authorities at state and district levels.

## Confusion and hostility

The result has been a confusion of policy application on the one side and downright hostility on the other.

This lack of mutual understanding reveals itself in coal policy. It has been the policy of successive administrations to increase coal production, but it has also been their policy to retain public lands on which the development might take place.

The industry has not been helped in its own case by memories of the past conduct of some mining companies. At the time it most needed public support, it found either a wall of indifference or definite antagonism. "The Parent-Teacher Association has bigger clout than the mining companies," said the Governor of one of the miner-rich Western states.

"Mining carries such appellation as 'rape, ruin and run' a policy balancing efforts towards a clean U.S. and the encouragement of the industry at the end of their shift, and 'obscene profits' for executives," noted Ms. Sylvia Pittman, past president of Women in Mining, a pro-industry body, told the conference.

"To the public the industry wears black hats. In order to achieve our objectives, it is necessary to win public support, and that support is unlikely to be forthcoming until we can prove that the industry wears white hats," she added.

This state of affairs is at the root of the industry's apparent lack of success in its lobbying efforts in Washington. Congressmen have observed that although the case for the industry comes over strongly enough in presentation, it lacks force because it is not accompanied by pressure on Representatives and Senators from the home states.

Senior executives in the industry also feel that their case for greater operational freedom has been set back because people newly appointed by President Carter at the level of just beneath Secretary in the big federal departments, have still to learn their jobs. The number of new appointees with direct experience of the mining industry is minimal and the emphasis of their approach has been from the point of view of the consumer rather than the producer, the industry executives say.

None of this makes for easy relations between the industry and the Carter Administration. But economic pressures as they are—notably the desire to hold down costs—could push the Carter Administration towards a policy balancing efforts towards a clean U.S. and the encouragement of the industry at the end of their shift, and 'obscene profits' for executives," noted Ms. Sylvia Pittman, past president of Women in Mining, a pro-industry body, told the conference.

## MEN AND MATTERS

## Playboy for all seasons

Is Gunther Sachs, former husband of Brigitte Bardot, in danger of losing his title of West Germany's most envied playboy? The possibility arises, not because of advancing years—he is 45—but because of his sudden immersion in business.

Since his elder brother, Ernst Wilhelm, died under an avalanche two years ago, Gunther has been heading the family whose company, Sachs AG, is responsible for 70 per cent of all the West German vehicle manufacturers' clutch requirements.

Earlier this year, Guest, Keen and Nettlefold sought to buy a majority of Sachs but eventually had to abandon this aim. Now Sachs himself is reportedly responsible for putting together the \$35m deal which has given Salzgitter, the West German state-owned steel group, a 23 per cent share in his family company.

This deal and the sale of GKN's 24.98 per cent share to Commerzbank have achieved Sachs' aims of broadening the ownership and allowing the family to retain control. But those who know Sachs are surprised at this apparent decision, that would be the average newspaper reader. Sachs' unashamedly extravagant style of life is regularly featured in colourful, if ostensibly cut-throat detail, by the popular press. But his most recent utterances have been about such unplayboyish matters as keeping control of his company.

It remains to be seen whether Sachs will move from his much-photographed villa on the French Riviera to the more prosaic surroundings of the company's manufacturing plant at Schweinfurt, Franconia. But over the weekend Sachs revealed that he has finally

managed to win recognition from a Munich court that he is a Swiss tax resident. He is thus likely to owe little tax either on the DM 110m paid to the family by GKN or on the DM 133m it has just received from Salzgitter.

## Striking claims

The Department of Health and Social Security is continuing to serve the purpose for which it was established—to control people out of work, and to starve or humiliate them back to work on the employers' terms. So reads part of an information sheet put out by the "Claimants' Union" of the Ford Workers. With the word "fraud" instead of Ford in the company's logo, the leaflet complains that the DHSS is not giving supplementary benefits to plain workers and is making all Dagenham strikers post their claims to a building in Holloway with no public access.

The DHSS seems unperturbed by the accusations. Asked if it was really allowing its staff to tell Ford claimants "Why should we give you money when you're fighting the Government?" its spokesman replied "Our staff would not and should not be saying anything like this. The rule is there and staff must go by procedure, not enter the rights and wrongs of industrial disputes."

The spokesman added that three single strikers had received help as they were "urgent cases" but that large amounts had been paid to the families of married workers—no less than £558,000 to the end of October, it was told.

And why the need to apply for post? "Oh, that is a special centre dealing just with Ford workers. Think how hard pressed our normal offices would be if apart from their normal workload lots of hairy strikers descended on them."

## Radical sheikh

A case of history repeating itself as farce, one is tempted to remark, after the latest exploit of the unpredictable Italian radical party. Last month the Catholic Church broke with 450 years of history to choose a foreign pope. Now the radical party whose zaniness is matched only by their lack of numbers, has chosen Jean Fabre, a 31-year-old French pacifist facing a prison sentence back home for desertion, and their new secretary general.

The choice is also in its way historic, even if it owes a great deal to typically abuse stage politics within the party. As Fabre himself—already irreverently dubbed the "Wojtyla of the radicals"—has pointed out, what more European gesture could there be than to pick a national of another EEC country to lead the troops into the first direct elections for the European Parliament?

The move is unprecedented and has Italian constitutional experts wondering just what the implications are. There is apparently nothing to prevent a foreigner leading a party in name, but everything to stop him doing what a party leader is supposed to do: winning elections and becoming Prime Minister.

That is not, however, a fate likely to befall anyone connected with the Italian radicals, though they do have four seats in the Rome parliament. And then, of course, the poor fellow can't even vote.

## Lost and found

One of the more trying moments in the life of urban man is when it dawns on him that he cannot remember where he parked his car. He walks forlornly down less and less

familiar streets, restraining the urge to ask a policeman. Finally he realises he is lost himself, halts a taxi, and pours out his tale of woe.

Even this does not always work. A taxi driver told me yesterday that he had driven a client round for three hours before she abandoned the search with £10 on the clock and no solution in sight—except the happy thought that the car might have been towed away.

Until recently even a National Car Parks ticket clutched firmly in the fist was not the lifeline it might have seemed—it carried only the address of the head office in London's Charlotte Street, where bewildered tourists would find themselves no nearer their vehicles. NCP has now started stamping the name of the actual car park on to the tickets.

"It's incredible how many people get lost," NCP's UK operations manager Peter Bewsey told me. "Where there's a language problem it's very difficult to sort out in which of our 283 car parks in London and the surrounding area they've parked—or even on which side of the Thames they've parked." It seems that many visitors cross and re-cross the river several times without realising it.

The lost tourists still turn up occasionally at Charlotte Street, I hear—having lost their tickets. Bewsey's technique is to try to make them retrace their steps from the coast. "It can take hours," he tells me.

## Fruitful thought

Sign in a Berkshire bakery: "Christmas puddings like mother used to make, £1. Christmas puddings like mother thinks she used to make, £1.50."

Observer

Should you feel that your Business Travel, Conferences, Freight and Holidays, could be better than they are, we offer two words of comfort, Rankin Kuhn.

Many people believe that Rankin Kuhn provide the best and most personalised services available today in Business Travel, Conferences, Freight forwarding and Holidays. Rankin Kuhn made their name in world travel. And they do everything with polish, flair and style.

Rankin Kuhn. Try them once. You will never go back to the old standards.



RANKIN KUHN INTERNATIONAL LIMITED, 19 QUEEN STREET, MAYFAIR, LONDON, W.1. Please send details of your services for Business Travel, Conferences, Freight forwarding, Holidays.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
J. K. Smith



# The remoulding of the plastics industry

ONE OF the funniest moments plastics products: unsuitable in the film *The Graduate* was polymers are used for some when a middle-aged business- goods; production runs are com- man cornered the anxious pleted too quickly so that the young hero's 21st birthday incidence of "fauky items party and told him: "I'm going increases and costs are cut by to say just one word to you, making products a little thinner. Ben. Just one word. Plastics." A little weaker and therefore of Dustin Hoffman's look of dis- a lower standard than those belief as he tried to come to manufactured from traditional grips with this embodiment of materials or manufactured the synthetic face of capitalism abroad.

Unfavourable comparisons with traditional materials have bedevilled the plastics processing industry for years and the reason is simply a matter of design. Plastics production and processing are comparatively young industries and it was therefore inevitable that the earliest polymer products were copies of goods that had always been made in steel or wood. This meant the wrong shapes and strengths were frequently used with little account being taken of the peculiar properties of plastics.

Mr. Stephen Gibbs, managing director of Turner and Newall and chairman of the National Economic Development Office plastics processing sector working party, recalls the post-war influence for change is probably the structural reorganisation that is now taking place within the industry.

There are between 4,000 and 5,000 plastics processing companies in the UK today sharing a market that is estimated to be worth about £200 a year. The great majority of them are tiny concerns employing fewer than 25 people, with about 50 companies having an annual turnover of more than £20m and, as yet, there are no real giants in the industry.

Many of the smaller companies have old machinery and some have little technological expertise. All too often they have neither the human nor financial resources to employ good designers or to improve their production techniques. The result is too many poor quality

relation to its foreign competitors is reflected in some of the comparative figures for the production, export and consumption of plastics materials and plastics products.

Statistics from the British Plastics Federation suggest that the consumption per head of plastics materials is considerably lower in the UK than it is in France, West Germany or the U.S. The Federation estimated per capita consumption in 1977 at 44 kilograms for the UK, 49 kg for France, 89 kg for West Germany and 64 kg for the U.S. Figures for the same four countries for

The report listed "a few examples collected from every day experience" to show "how failure to make proper use of polymer properties in design gives plastics in general a bad name."

The list includes such recognisable items as low density polyethylene mugs which sag when filled with hot coffee and polyvinyl chloride fruit squash bottles which tend to split along the seam when dropped or subjected to pressure at the bottom of a heavy shopping bag.

The point about good design is that it requires not only imagination but also skill and

BY SUE CAMERON

1973 and 1976 also show Britain at the bottom of the consumption league.

A report prepared by NEDO for the plastics processing sector working party again shows the UK trailing behind Italy, Belgium and Holland as well as France and West Germany in per capita consumption of four out of the five major commodity polymers—the exception is in polypropylene. The same report says that "neither the UK's share of world exports of plastics products nor the pattern of UK exports compare at all favourably" with those of her major European competitors.

The report, which was brought out this summer, shows that the UK's share of world exports since 1970 has been a remarkably stable five to six per cent, only half that achieved by France or Italy and less than one quarter that of West Germany.

The NEDO report, written as a basis for discussion in the plastics processing sector working party, pointed firmly at the UK industry's poor design standards as the main reason for its unsatisfactory showing in domestic and world markets.

money—precisely the commodities which many tiny plastics processors lack. Ironically this is why one of the most hopeful signs for the industry is the fact that last year well over 100 small processors were taken over or went into liquidation. The numbers going out of business this year are likely to be even higher because of the introduction of new safety regulations.

Some small concerns will not be able to afford to replace their outdated equipment or bring it up to standard. But the rationalisation now taking place in the industry is not confined only to smaller companies. Over the past year roughly a dozen major plastics processors have been taken over or have closed down altogether. Some of the others, of the few processing companies with an annual turnover of over £30m, were taken over by the Turner and Newall group which merged it with the sheet film division of British Industrial Plastics, another of its subsidiaries.

Ekco Plastics, with a turnover of about £20m, was taken over by the large National Plastics group and Armordite, which had a turnover of well over £10m,

was acquired by Bernard Wardle. At the same time GKN has shut down its plastics operations—thought to have had a turnover of roughly £20m. This steady restructuring of the industry should produce more companies with the design teams and the marketing expertise that is needed if the UK is to start competing on more equal terms with countries such as Germany. It should also cheer some of the plastics materials producers.

In the past small concerns that came up with a good idea for a new product or a new application could always take it to one of the big materials producers like British Petroleum or Imperial Chemical Industries and ask for help with development work. The results were sometimes highly successful and relations between materials producers and processors have generally been good.

But there have been signs of growing unease among the producers over the performance of their processing customers. A weak UK processing industry puts pressure on the materials majors to seek more overseas markets. The drawback to this is that it is usually easier and more efficient to sell a product on your own doorstep than to take it abroad—especially at present when the whole of Europe is suffering from overcapacity in the plastics materials field.

One alternative would be for the materials producers to go right downstream and start manufacturing plastic goods themselves. Some—notably BP—have expressed considerable interest in doing this. The difficulty is however, that all their operations are geared to dealing with bulk products: they do not have the experience, the market knowledge or the organisation to start working with small batch production and dozens of retail outlets.

Materials producers may take over a plastics processing busi-

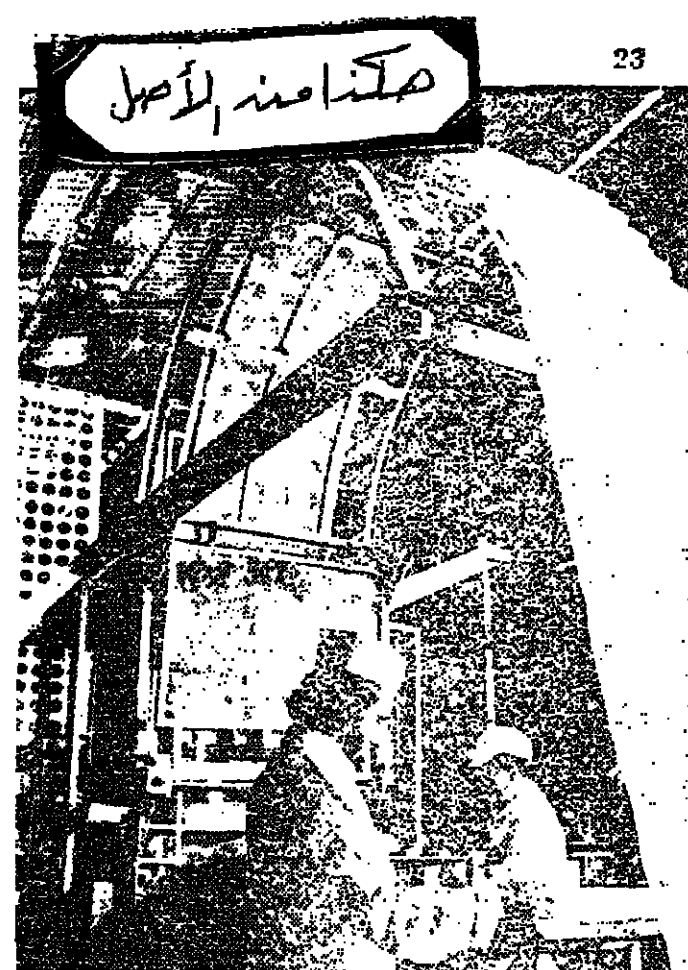
ness as part of a larger acquisition and some may start manufacturing such things as plastic pipes which are at the bulk end of the processing business. But it is unlikely that they will make any major inroads into the processing field itself. What they can do to encourage a thriving processing sector is to continue providing design and development expertise for smaller concerns.

Mr. Chris Bromley, deputy director of the British Plastics Federation, believes that the partnership between producers and processors would be greatly enhanced if more plastic goods manufacturers took steps to improve their technological know-how.

"Processors cannot just go along on the backs of the bulk producers," he says. "The ideas for exploiting the potential of plastics goods must come from the sharp end, from the fabricators who know the market. But processors who approach the bulk producers for technical back-up and commercial appraisal will be in a far stronger position if they ensure that they have certain technical strengths themselves. By that I mean that any processing company turning over about £1m a year should have a good production engineer, someone with experience of design engineering and someone with a knowledge of toolmaking."

It is the middle-sized companies, rather than what Mr. Bromley calls the "cowboy fabricators," which are likely to build up these technical strengths. And encouragement to do this is coming from outside the industry as well as from the restructuring that is already underway.

A Department of Industry survey of plastics processors in South Wales has called for a "centre of excellence in mould and die making technology to be established" and there are now also some post graduate courses



Machines such as this produce 1m plastic cups a day

available in polymer technology. One was set up last year at Loughborough by Professor Arthur Birley. Initially it attracted the grant total of three students—one of them from overseas. Yet when the course ended one of the British students was approached by no fewer than 28 companies all wanting to employ him. The course is now in its second year and is attracting more students and considerable interest from companies and academic institutions both at home and abroad.

Rationalisation, the industry's growing awareness and analysis of its own shortcomings and a partisan push from materials producers which are anxious to improve their own sales should all help to put UK plastics processing in a stronger position during the next few years. Although a number of companies have gone out of

## Letters to the Editor

### Troubled EEC waters

From the Director General, Dairy Trade Federation.

Sir—Your leader (November 6) criticises the Government on the grounds that it has confirmed the suspicions of other countries that Britain is in the European Community to grab and resents giving. It is not widely understood that every member of the EEC is in the Community for what it can get out of it.

We tend to forget that our membership is a blessing for others who wish to sell us goods and services. As a nation, we are less self-sufficient in temperate foodstuffs than any other member of the Community. As the target importers of dairy products in the world, to give just one example, we provide considerable benefit to a Community that produces too much milk.

Your leader writer suggests that we might have to make some final concessions in order to achieve a Community policy on fish. These concessions need not be on fish itself. Why not follow the example of New Zealand which recently allowed access for Japan to its own territorial waters in return for a sale to that country of a very large quantity of dairy products. In order to secure a good deal for our fishermen, let us give up any attempt to import New Zealand butter after 30th June. New Zealand will have enjoyed a privileged access to our market for eight years after the time we entered the Community.

Our mistake in Europe is not that we argue too hard in defence of our own interests, but that we are prepared to give away our best bargaining counter—a share of our own market—to countries outside the Community.

J. B. Owens,  
CJB House,  
Eastbourne Terrace, W2.

### Unprofitable conditions

From Mr. H. Stephens.

Sir—I am bound to agree with the point of principle which you stand in your editorial of October 27: the intervention of the European Commission in industrial problems is likely to lead to less economically efficient solutions than would the competition of the market-place left to itself. The difficulty arises when, unfortunately, the market-place has already been bypassed. Where subventions from member states have been partly responsible for excessive capacities and for keeping them in operation, the market-place cannot be expected to find a remedy to the resultant unprofitable business conditions. In these circumstances, it is idle to look for a solution to the problem from the member states who have helped to bring it about.

If the Commission is also to be ruled out, where is the answer to be found?

H. Stephens,  
8, St. Stephens Avenue,  
St. Albans, Herts.

### Overdamped systems

From Dr. D. Budworth.

Sir—In his Lombard column (November 2) Nicholas Colchester refreshingly and rightly made the point that the currency and similar rather undamped markets have been rendered less damp and more unstable by technical advances in commu-

cation. There are also examples in our society of overdamped systems, such as the labour market, being made even more overdamped by employment protection measures, housing policies, and general failures to provide for the possibility of mobility.

Politicians and administrators do not appear to appreciate the fundamental deficiencies of their actions of this type and, in our educationally over-specialised society, engineers surely have a responsibility to be much more active in sharing their particular insights on such problems with those who have to deal with them.

Dr. D. W. Budworth,  
10, Sydney House,  
Woodstock Road,  
Bedford Park, W4.

### A bigger pension

From Mr. J. Pound.

Sir, It was with great interest I read Eric Smart's article on the advantages of additional voluntary contributions (October 28) for augmenting one's final pension.

As a pensions manager I have been aware for some time of the need for members to supplement their main scheme benefits. The problem has been obtaining terms where even the basic rate taxpayer can be convinced of the advantages. This has been particularly true with the blue collar worker who will probably earn a less than adequate entitlement but who is sceptical of long term promises.

The response by all levels of employees at recent "teach-ins" I have conducted was "why didn't someone think of this before" and illustrates the need of not only providing a means of tax free savings for retirement but also presenting the scheme in a manner where the benefits are readily understood by all levels regardless of financial bias.

J. A. Pound,  
6, Parkside,  
Horley, Surrey.

### Earnings in retirement

From Mr. K. Masley.

Sir—I am grateful to Mr. Groves (Nov. 2) for his further explanation of how the Department of Health and Social Security arrived at the earnings costs of abolishing the earnings rule. In so doing it seems to me that there are a number of further implications which are of greater social concern than my initial enquiry implied. It would be interesting to know the basic motivation of those who carry on working beyond state retirement age—is it just a matter of insufficient income? Are the persons in this large group still carrying on in the jobs they were holding before reaching retirement age or have they switched to less active or part-time employment? To what extent are they filling jobs which could be made available to the unemployed? Is it not socially desirable that greater encouragement should be given for at least accepting partial retirement thus releasing more opportunities for the unemployed? There would, of course,

be a compensatory gain to the Exchequer from the reduction in unemployment benefit payable.

Let this may be construed as an attack on those who are seeking to lead useful lives in their later years. I fully support the contention that our rapidly growing population of retired persons can be a valuable source of wisdom and experience in all kinds of community and voluntary activities. This kind of involvement can be more stimulating than carrying on in a routine job but, of course, financial security is a pre-requisite.

May I conclude by asking one final question? Surely the state retirement pension is an entitlement which has been paid for during each person's working life and represents a contract between the state and the individual. Why should payment be conditional on any way?

Keith L. G. Masley,  
10, Derwent Gardens,  
Redbridge, Ilford, Essex.

### Currency reserves

From Mr. W. Platt.

Sir, I can see that I shall have to spell out for Mr. Torrance (November 2) how one foreign exchange system works. The Bank of England is the holder of the nation's foreign exchange and gold reserves. The commercial banks are allowed to keep sufficient foreign currency in the major centres of the world to enable them to carry on their banking business. Currency surplus to their laid-down dealing positions has to be surrendered for sterling within the market and therefore ultimately to the Bank of England.

In such a system non-residents holding sterling can convert into foreign currency at any time by selling their sterling for another currency to a commercial bank (if never sold to the Bank of England). Since the bank concerned will be long of sterling and short of currency, it therefore must adjust its position by buying currency with that sterling and the taker of last resort of surplus sterling against currencies must be the Bank of England. This, of course, reduces the net holding of the country's foreign currencies. That is the liability I was talking about.

So far as the comments upon payment for imports is concerned, it is all very well for Mr. Torrance to state that an importer simply goes into his bank to buy the currency. But where does Mr. Torrance think the banks get this currency from? The answer is that it comes from the proceeds of exports, services, and capital inward investment and as a last resort from the country's reserves (assuming that our imports are greater than our exports and invisible earnings). Of course, another important factor which I have not attempted to go into is the effect of the in and out-flows of hot money.

A fixed rate system plus automatic intervention by the Bank of England to maintain that rate has no relevance per se to the claims of non-resident holders of sterling. The pound is now allowed to float freely with minimal intervention and if non-resident holders of external sterling were to sell large balances, the rate would drop and the reserves would suffer if the Bank were to intervene.

### Imports of cutlery

From Mr. N. Birch.

Sir—Not only do the UK cutlery manufacturers want severe restrictions on imports of cheap cutlery (November 2), they have the brass neck to suggest that the Government also provide their industry with national assistance.

If the Government obliges, Britain's cutlery manufacturers will enjoy the privilege of being allowed to rip-off their customers with a licence to charge much higher prices for their merchandise, those same customers thereafter having insult piled upon injury by being forced to subsidise the cutlery which is allowed to be free from behind a protective barrier.

The day cannot be far off when restaurants will have to secure their cutlery to the table by chains, because of a chronic shortage of usable knives and forks.

N. A. Birch,  
6, Rusholme Road,  
Putney, SW15.

### Investment capital

From Mr. G. Schermerling.

Sir—It was strange reading "Observer" (November 1) writing about excessive profits and denouncing them to the Price Commission. High profits for consumer goods and services mop up surplus purchasing power and transfer resources from consumption to investment capital: in a country with confidence in the nation's interest, they are in the national interest.

G. Schermerling,  
20 Bishops Close,  
Old Coulsdon,  
Surrey.

### Regenerating London

From the Leader.

Greater London Council.

Sir—Sir Reg Goodwin's response (October 31) to my letter about inner London's needs clearly shows that he has learned nothing and forgotten nothing. In fact nothing is what London has come to expect from the Labour Party.

Of course the Government (or more exactly, the taxpayer) foots a large part of the bill for Greater London Council programmes: given the way the public finance and grant system works in this country it is bound to do so in respect of every local authority's spending. My point is two-fold though: the Government is making no significant extra contribution in recognition of inner London's problems; and that where it is making money available (as opposed merely to insisting on retaining detailed and costly administrative control).

### The building industry

From Mr. S. Prince.

Sir—Following Mr. Malcolm Rutherford's article on "moonlighting" (October 20) in the building industry, I read with interest the comments in your columns.

As a director of a small building company, employing 50 men, all the comments published would appear to come from people who are well informed about the industry, whereas Mr. Rutherford clearly is not. Many of his observations are valid but his analysis is muddled and his suggested remedies are quite inappropriate. How can the industry be blamed for high taxation, the daunting volume of repressive legislation, the cyclical nature of the economy which Mr. Rutherford seems to think inevitable (a sad reflection of the day but we now are expected to accept this) and the wasteful and inefficient method of VAT collection imposed on any registered business? These are all major factors which have led to the emergence of this "alternative industry" and discouraged new bona fide companies.

All these points are entirely due to inept government over the years and commentators should know better than adopt the politicians' standard ploy and blame industry. The day when this country is led by example and not whipped into submission like a collared slave, 50 per cent of our problems will be solved. It might be argued that recent tax reductions will help the situation but two points should perhaps be noted. 1—As tax reductions came into force, an National Insurance contribution went up from a total of 18.5 per cent to 20 per cent gross wages. This company now remits more money (tax) in National Insurance contributions each month than it does in PAYE. Considering the latter is after allowances, what would the standard rate of tax need to be to collect the same money under PAYE? 2—The cost of producing the new tax tables was £2.3m as against £112,000 for the previous set.

Mr. Rutherford concludes by saying that the state of the building industry could hardly be worse. I hope he can now look elsewhere for the answer.

S. G. Prince,  
G. E. Prince and Son,  
24-25, Chapel Road,  
Southampton.

### Regional dialects

From Mr. W. Bayne.

Sir—How pleasant to have my own opinions on regional dialects echoed by persons of the eminence of Lord Snow (October 21) and Mr. Faulkner (November 1). I am sure these gentlemen are as despondent as I am that our ideal of everyone "speaking with an acceptable Inverness accent" shall never be achieved.

W. C. Bayne,  
Yairn,  
Stranraer, Norway.

<p><b>GENERAL</b>  <b>TUC</b> economic committee to study results of discussions with Ministers on pay and prices.  <b>British Oxygen's</b> manual workers discuss strike action.  <b>Mr. Wang Chen</b>, a Chinese Vice-Premier, sees <b>Mr. Eric Varley</b>, at Department of Industry.</p>	<p><b>Today's Events</b>  <b>A. F. Tuke</b> or <b>Prof. Harold Rose</b>, <b>Barclays Bank</b>, 8.30-9.30 am.  <b>OFFICIAL STATISTICS</b>  <b>U.K. Banks'</b> eligible liabilities, reserve assets, reserve ratios, and special deposits (mid-October).  <b>London clearing banks'</b> monthly statement (mid-October).</p>	<p><b>Investment Trust Association</b>  <b>British Foods</b>, <b>Bank of England</b>, <b>Bradford Property Trust</b>, <b>Campanella Cater</b>, <b>Ryder</b>, <b>Clement Clarke</b> (Holdings), <b>Coats Patent</b>, <b>De La Rue</b> (Company), <b>Geyer Group</b>, <b>Great Portland Estate</b>, <b>Passmore &amp; Sons</b>, <b>Peacock</b>, <b>W. and A. Sunfield</b>, <b>Newspapers</b>, <b>Roberts, Adlard and Co.</b>, <b>Sintercos</b>, <b>Whitehead and Co.</b>, <b>Young Companies</b>, <b>Investment Trust</b>, <b>Interim figures</b>, <b>Reith</b>.</p>
<p><b>PARLIAMENTARY BUSINESS</b>  <b>House of Commons:</b> Queen's Speech debate continues. Subject: Rhodexia.</p>	<p><b>COMPANY RESULTS</b>  <b>Final dividends:</b> Allied London Properties, Anglo-South African Investment Trust, A. Grenville (Holdings), Bridport-Grovedale (Holdings), Cedar Investment Trust, CLRP Investment Trust, Jenks &amp; Scott, Martonair Intercontinental, Scott's Chemicals Company. <b>Interim dividends:</b> Airflow Streamlines, Allnatt London Properties, Ambrose</p>	<p><b>COMPANY MEETINGS</b>  <b>Bretton Com</b>, <b>Rubber</b>, <b>Tubac</b>, <b>Hill House</b>, <b>Lunada Road</b>, <b>Secor</b>, <b>Watts</b>, <b>Cent</b>, <b>12</b>, <b>Impr Prop</b>, <b>Coventry</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>, <b>W. and A. Sunfield</b>,</p>



## COMPANY NEWS

### Lucas almost makes up lost ground

IN THE second half of the year to July 31, 1978 Lucas Industries made up some of the ground it lost earlier through the UK tool-room strike, and finished the 12 months with pre-tax profits some £2.7m lower at £73.03m.

At the interim stage, when profits were down from £54.67m to £27.41m, the directors estimated the cost of the strike at £11m but they now report that the effect was worse than that, together with some continuing damage due to orders switched to competitors and not regained.

Profit at the trading level for the year showed little change at around £77.0m but the pre-tax surplus was affected by a £1m reduction in share of associates and higher interest payable which arose from the cost of financing the capital investment programme carried out in the last two years and which has yet to come fully on stream.

Earnings per £1 share are given at 50.88p (53.46p) and the dividend total is raised from 8.22p to 8.78p with a final payment of 6.544p net.

Turnover for the year at £971m was £85m higher. UK sales were £666m, an increase of £55m, while overseas sales rose by £30m to £305m. A further £91m of turnover is attributable to Lucas through its share of overseas associated companies' sales.

Direct exports from its UK companies amounted to £151m—an increase of £15m. Further, much of the equipment supplied to customers is exported by them on cars, commercial vehicles, tractors and aircraft and their engines shipped separately—these indirect exports are estimated to be £190m. Thus, half of the workload of the UK factories originates from overseas.

External sales  
1977-78 1978-79  
£m. £m.  
Vehicle equipment 251.1 256.6  
Aircraft equipment 12.4 12.4  
Industrial products 142.5 141.2  
Tractor products 73.8 73.8  
Tractor spares 73.8 73.8  
Aircraft equipment 3.5 3.5  
Industrial products 4.1 4.1  
Tractor products 2.4 2.4  
Investment products 1.2 1.2  
Profit before tax 73.0 73.0  
Tax 15.7 15.7  
Profit after tax 57.3 57.3  
Minority profits 0.9 0.9  
Attributable 58.2 58.2  
Dividend 8.2 8.7  
Retained 49.0 48.5

Lucas' 1978-79 has been adopted in consequence to provision for UK deferred taxation has been made in the year; the results for 1977 have been amended for the purposes of comparison.

UK sales were 9 per cent higher engaged in the manufacture of and a further 1,000 extra jobs were created in the year, which follows the 5,000 new jobs last year. The UK profits at £30.4m were £2.2m lower than the previous year.

Home companies which manufacture vehicle electrical and



Mr. Bernard Scott, chairman of Lucas Industries

braking equipment and batteries fully competitive in world markets, is now in hand. This company has a record of success in securing new contracts overseas and this year a notable example was the contract for actuators for McDonnell Douglas in the U.S.—and which has been followed by other new contracts—in total some £60m.

The industrial equipment business continues its expansion with an increase in turnover of 23 per cent but profits were down, principally due to the cost of re-organising the Liverpool factory.

In the year the group spent a further £105m on its factories in the UK and overseas involving £55m on new capital investment and £50m on revenue expenditure. Of the total outlay, £88m was spent in the UK.

It is the directors' policy to continue a high rate of investment in the group's factories both in the UK and overseas to ensure that they are able to compete in and meet the demands of world markets. Research and development continues to be a keystone in the group's affairs and expenditure this year amounted to £35m.

See Lex

### Feedex tops £0.5m half-time

REPORTING A £200,000 jump in pre-tax profits to £516,000 for the first six months of 1978, the directors of Feedex say improvement is expected to continue in the second half and add that, given advantageous market conditions, the group is capable of producing very much higher returns.

The interim dividend is stepped up from 0.585p to 0.65p net per 10p share, but the directors point out that an increased dividend to reflect the profit performance in recent years would be more equitable to investors and would improve the market rating of the group's shares.

"We will continue to explore every possible way to achieving an increased yield to shareholders," they state.

For all 1977, payments totalled 1.57p and taxable profits fell from a record £927,000 to £821,000.

First half 1978 turnover was up some £1m to £10.86m and profits were before tax of £248,000 (£101,000) and minority of £6,000 (£32,000). Comparisons are restated.

The 53 per cent first-half profit jump recorded by Feedex contains a sizeable recovery element. Last year's first half was hit by very low returns from pig production. But a drop in the national pig herd plus stable feed costs have greatly assisted a recovery in margins. Pig production and marketing turned in £100,000 which comfortably helped the total for the previous full year.

Elsewhere engineering and feed production added £197,000 each. A new protein concentrate export operation added a little to the first-half figures but the company seems optimistic about the future with markets opening in Africa, particularly Nigeria and in the Far East. With two months of the financial year remaining group profits for the full year look like reaching around £1.1m.

With the shares selling at 38p yesterday the prospective P/E (taking a line through the first-half tax rate) is 6 and the yield is around 7 per cent. But the shares are still largely in the hands of investors living near its home base at Hull. The yield needs lifting and marketability improved if the stock is to attract any more interest.

### Midterm rise for Tysons

Following a reduction from a peak £94,172 to £49,757 in 1977, taxable profits of Tysons (Contractors) increased from £34,094 to £105,424 for the first half of 1978. Turnover for the period was lower at £4.9m against £3.31m. Tax takes £44,000 (£13,450) leaving earnings ahead from 0.41p to 1.22p per 10p share.

The company does not pay interim dividends—last year's single payment was 2.117p.

### HIGHLIGHTS

Lucas just failed to come up to the profits level of the previous year: at the half-way stage the group had hoped to make up for the first-half strike losses but at the end of the year demand for certain diesel components proved disappointing. British Car Auction has turned its profits 35 per cent higher on a 26 per cent gain in gross auction turnover. Yarrow is still suffering from unresolved compensation wrangles, but Feedex has shown strong recovery after six months reflecting better margins on the pig production side.

### Yarrow profits finish lower at £1.4m

PRE-TAX profits of Yarrow and stage about the progress which came out lower at £1.4m for the year ended June 30, 1978 against £1.81m previously, on turnover up from £3.39m to £8.76m.

Profits included interest on the £1.41m 91 per cent Treasury stock for the year, already received on account of compensation, the full amount not yet being known. And result excluded the dividends from subsidiaries now nationalised which last time amounted to £750,000.

The directors had reported interim profits behind at £767,000 compared with £844,000. Net profit for the year came out at £847,065 against £1.5m after tax of £597,172 (£309,557), and the attributable balance emerged much lower at £338,221 (£1.5m) after an extraordinary debit for the period of £240,199 and minority £11,346 (nil).

The debit comprised of the net cost of the agreed settlement of the dispute regarding the GILC boiler contract, together with a provision for settlement of a long standing dispute concerning another boiler contract. Earnings are shown as being down from 37.5p to 22.2p per 50p share. The dividend is stepped up to 5.15p (4.8117p) net with a final payment of 3.45p.

Turnover 1977-78 1978-79  
£m. £m.  
Sales 6,745,824 3,291,492  
Depreciation 176,767 78,549  
Inv. income 373,213 449,867  
Compensation int. 117,100 —  
Tax 311,999 244,436  
Pre-tax profit 1,295,258 1,807,499  
Tax 506,777 288,317  
Net profit 788,481 1,519,182  
Extraordinary debit 240,199 —  
Minority 11,346 —  
Attributable 536,281 1,480,182

The directors state that, as previously indicated, application was made for a further substantial dividend payment to Yarrow and Co. out of Yarrow (Shipbuilders) for the year ended June 30, 1977, which amounted to some £12m of which only £2.5m of dividends have been authorised.

Negotiations are proceeding, they add, but so far the application has been unsuccessful, with the result that figures for the 1977-78 year do not include any further dividend from Yarrow (Shipbuilders).

In his statement Sir Eric Yarrow, the chairman, says that he had hoped it would have been possible to give shareholders some indication of the amount of compensation likely to be received. Negotiations are still continuing, he says, "and therefore I cannot say anything at this

### 55% increase at BCA: dividend up to 2.5p

FOR THE year ended July 31, 1978, profits of British Car Auction Group have risen 55 per cent to nearly £1.72m.

And trading prospects for the current year show an improvement over 1978 at the present time, with new records being achieved by the motor auctions.

In 1977-78 increased profits came from the auction businesses, where for the first time turnover exceeded £100m, from the gas and gas cylinder supply business, and from acquisitions made during the year.

The company expended £350,000 on the purchase of companies and trading as mobile home suppliers and site operators, and also hirers of coin-operated machines. These contributed £287,000 towards profits.

Net earnings are shown at 6.01p (4.02p) per 10p share. The final dividend is 1.535p on increased capital of a total of 2,512,500 compared with 1,981,000.

In June, the company placed 2m shares at 41p each; the net proceeds of nearly £10.5m were used to repay borrowings made for acquisitions and to finance the

purchase of the freehold of the Farnham head office, together with adjacent properties.

comment  
British Car Auction's profits growth may have slowed down to a fifth in the second half, after adjusting for the contribution from acquisitions, but overall a pre-tax jump of 55 per cent for the year did not disappoint the market and the shares moved ahead 1p to 48p. Gross auction turnover rose by some 26 per cent, while the half reflected increased volume, and commission income rose by nearly a third. Elsewhere profits from the cylinder gas business continued to improve with profits £360,000 higher at £100,000—a couple of years back that company was in the red. The acquisitions, caravan parks and amusement machines which BCA bought for £350,000 at the beginning of 1978, are making good profits and the company is looking to expand the caravan park network. Though caravans are a new venture for BCA the Wickens family has an involvement in that business going back some time. To date the auction are well ahead of 55 per cent of Ford strike has had little effect so far—and with growth from its newer activities BCA is likely to produce another gas 26 per cent increase in 1978-79. On a P/E of 7.8 and yield of 8 per cent the shares are fairly valued.

### 59 companies wound-up

Orders for the compulsory winding up of 59 companies were made by Mr. Justice Brightman in the High Court.

They were: W. Stone and Co. (Chingford), Industrial Labour (UK), Braganza Investments, Corvic Company, Graham Keith Company, Granwood Builders, Hopcroft Furnishing, Kinkead, Pindersgate, Varol Holdings, Howard Brothers (Construction), Malcicade, Miller and Pope (Developments), South Essex Times (Grays), Italinvest, Super Handicrafts, X-Ray Arms, Vultrix, T and S (Electronic Developments), Bancote, Landson Properties, Shell Bank Garage, Parks Fruit, Dagside.

Ye Olde Fashioned Humberg Shoppe, Berjer Properties, Marland and Music, Steel Enterprises, Alvaro Engineering, Barton Garage (Okehampton), Webster (Builders), Anprolrite returns.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of sp. div.	Total for year	Total for last year
Aberdeen Lvs.	1.25	Dec. 1	0.3	1.55	2.35
British Car Auction	1.53	Dec. 14	1.23	2.51	1.98
Feedex	0.65	Jan. 5	0.59	1.24	1.38
G. and G. Kynoch	1	Dec. 22	1	2	1
Lucas Inds.	6.84	Dec. 18	6.1	12.94	8.23
Prop. Partnerships	0.8	Dec. 18	0.8	1.6	1.76
Stimby	0.6	Dec. 29	0.6	1.2	2.05
Yarrow	3.45	Dec. 29	3.11	6.56	4.61

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

### The office of the future has just arrived.

The day it arrives, a Lexitron word processing system will probably hold up production for a bit. But after that, office production will never be the same.

A Lexitron system combines a typing keyboard, a TV-like screen that acts as "paper," a small computer, and a high-speed printer. All corrections—typing errors, additions and deletions, rearrangements—are made electronically on the screen before anything is committed to paper. Then, when everything is perfect, material is typed automatically at up to 660 words per minute. The information can be stored on tape or discs for permanent file, instant retrieval, or transmission over regular telephone lines for automatic reproduction at distant locations.

The recent acquisition of Lexitron Corporation gives Raytheon a firm position in this dynamic new field, and adds an innovative product line that is a natural extension of its established capability in data processing: intelligent data terminals, distributed processing systems, minicomputers, and telecommunications equipment.

Raytheon's data systems business continues to grow at an impressive rate. Sales growth this year has more than kept pace with the 60% increase posted in 1977. Add Lexitron, and the growth is even more impressive for this segment of our electronics business.

Electronics—one of five basic business areas at Raytheon. The others are energy services, major appliances, educational publishing, and heavy construction equipment. For copies of our latest financial reports, contact any of the offices or companies listed below, or write:

Raytheon Europe, 52 Route des Acacias, 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Mass., U.S.A. 02173.

RAYTHEON

FOR INFORMATION ON WORD PROCESSING AND DATA PROCESSING: Data Logic Limited, Westway House, 330 Ruislip Road East, Greenford, Middlesex, England. URB 98H, 44/1/5789111; Raytheon International Data Systems, Spaklerweg 53, Amsterdam, Netherlands, 31/20/924244; Raytheon International Data Systems, Frankfurter Allee 45-47, 6226 Eschborn/Ts. West Germany, 49/6196/48829; Raytheon International Data Systems, Loosdrechtse 54, 8000 Munch 19, West Germany, 49/89/181077; Raytheon International Data Systems, Hirschburgweg 5, 4000 Düsseldorf 12, West Germany, 49/211/684431.

OTHER RAYTHEON COMPANIES IN EUROPE: Electronics: Cossor Electronics Limited, Harlow, Essex, England • Raytheon Halbleiter G.m.b.H., Munich, West Germany • Raytheon Marine Limited, London, England • Raytheon Copenhagen, Denmark • LAG Semiconductors Limited, Zurich, Switzerland • Transiste Bau und Vertriebsgesellschaft G.m.b.H., Karlsruhe-Durlach, West Germany. Wire and Cable: Electrical Installations Limited, London, England • El Dynamo, Lyon, France • Greengate Cables Limited, Manchester, England • Klasing G.m.b.H. & Co., Ingolstadt, West Germany • Lacroix & Kress, Bransche, West Germany • Sterling Cable Company Limited, Aldermaston, Berkshire, England.

RAYTHEON OVERSEAS LIMITED, EUROPEAN OFFICES: Bonn, Brussels, London, Madrid, Paris.



## Outlook bright for H & W

THE RESULTS of the acquisitions and reorganisations by H & W, and Wyndham, are becoming evident in its improving financial performance. The directors are confident that this favourable trend will continue and probably accelerate in 1979 and group trading performance. In date justifies that confidence, says Mr. Ralph A. Fields, the chairman, in his annual statement.

Although this year marks the ending of the group's original business as a theatre proprietor, trading prospects have never been brighter, both at home and overseas, states the chairman, who expresses confidence that the group will continue to grow and prosper.

For the year ended June 30, 1978, on record sales of £16.35m (£15.39m) pre-tax profits jumped from £117,600 to £314,918—as already reported. Dividends are restored this year with payments totalling 0.665p net—the first since 1964. A one-for-15 scrip issue is also proposed.

The chairman reports that last year's decision to discontinue group theatre ownership activities has now been fully implemented. During the 1977-78 year, the group disposed of the New Theatre, Oxford, and the Royal Court Theatre, Liverpool, and last month sold the Opera House, Manchester.

Its theatre and concert booking activities have been transferred to a partnership of which Mr. Elton Beaumont, a director, is the operating partner. These activities will continue under his direction.

Trading and profit performance of the group's publishing division improved substantially over the previous year and is now "on target." AH of its publishing divisions performed well, but the major reasons for the better results were the acquisition of Hawthorn Books Inc. and the return to profitability of W. H.

Allen's paperback book division. During the year, the directors decided to sell the group's publishing and warehousing and distribution centre in Leicester. Its essential activities will be transferred to Tiptree Book Services, a subsidiary of Huthchinson Publishing Group, at Tiptree and this move is expected to take place in stages, all to be completed by April 1979.

The directors anticipate that this move will result in better service for home and overseas customers, faster and more detailed management information, the release of substantial working capital, and important operating economies.

Results of its retail operations continue to be most satisfactory, says Mr. Fields. During the year, the group opened a number of new outlets in the UK and abroad under its sole ownership as well as pursuant to franchise agreements. Retail operations of Giant Book Shops in Scotland were also expanded.

The directors continue to look for opportunities to expand in the areas of the retail trade in which the group is experienced, basically books and jewellery. In this respect, they are currently in negotiation with the proprietors of Marbon Books Inc. of New York. The company, which is engaged in retail and mail order book selling and the wholesale remainder book trade with its associate currently operates 11 retail outlets and has an annual turnover rate presently in excess of \$10m.

At the year-end, fixed assets of the group's publishing division stood at £13.7m (£13.7m) and net current assets were up from £2.88m to £3.27m. Reserves increased from £1.35m to £1.62m. Net liquid funds decreased by £384,000 compared with a £14,000 increase last time.

Meeting, Edinburgh, December 4, at 10 am.

## Newman-Tonks looks for real improvement

The directors of Newman-Tonks have budgeted for an increase in profits in the current year, which together with the consolidation of recently acquired Econa, should give a real improvement in earnings and profits, says Mr. Michael Wright, the chairman, in his annual statement.

As reported on October 23, pre-tax profit for the year ended July 31, 1978 finished ahead at £1.81m against £1.72m on turnover of £22.35m (£20.06m). Earnings per share are 12.74p (13.10p) and the dividend is lifted to the forecast 4.6535p (3.83p).

The engineering division maintained its position as the largest manufacturer of overhead door closers in the UK and sales of panic hardware, hydraulic door springs, flexible doors and glass door fittings increased in volume during the year.

Most of the subsidiaries made a useful contribution to group results, but Newpeep Aluminium in the Republic of Ireland incurred losses for the year of £140,000. However, with orders forthcoming, this company is now moving into profitability.

Despite the setback in the South African economy, the subsidiary there maintained its profit level, but the Australian subsidiary turned in lower profits, even after taking into account the contribution from the acquisition there of Parrow and Wright.

Econa was acquired in August and Mr. Wright says that in the first two months of the 1978-79 year, the company has increased its profitability over the corresponding period, and he is confident it will make a very

significant contribution to group profits. In his review on the past year the chairman states that margins on many of the group's products were eroded by foreign competition but its share of the existing market was improved upon.

Capital investment in the new factory and plant for the hardware division is beginning to show an acceptable return on capital employed, and the budgeted profit is encouraging, he adds.

At balance date, fixed assets were £3.09m (£3.74m) and total net assets came to £10.01m (£8.37m). Working capital increased by £0.36m against £0.96m last time.

Meeting, Birmingham, November 29 at noon.

### Kynoch wants to double dividend

In the year ended August 31, 1978, pre-tax profits of G. and Kynoch have shown an increase from £2,253 to £29,929, and the dividend is being doubled to 2p subject to formal Treasury consent.

The company makes woollen woven fabrics, comprising coatings, suitings, etc., mainly for men's wear. Although the 1977-78 result is far from satisfactory, the directors point out that it has been achieved without the full benefit from a special order—deliveries of which straddled the

### Slingsby £25,000 ahead

Sales at H. C. Slingsby, manufacturer of hand trucks, ladders, etc., rose from £1.62m to £1.82m for the first half of 1978 and taxable profits were ahead at £72,998 against £47,842 previously. Profit for the whole of 1977 had slumped from £153,168 to £83,479.

First half earnings are shown as 6.18p (4.03p) per 25p share after ED 18 adjusted tax of £29,134 directors say that no relief is available in the current year in respect of losses in the overseas subsidiaries.

The net interim dividend payment is maintained at 0.46p—last year's final was 1.85p. The attributable balance came out higher at £61,521 (£40,246) after minority losses £14,957 (£8,966).

## Electra Investment Trust

LIMITED

Interim Report (unaudited) for the six months ended 30th September, 1978

Earnings	Six months ended 30th September	1978	1977
Gross Group Revenue		£2,630,000	£2,277,000
Group earnings before taxation		£2,351,000	£1,987,000
Taxation		897,000	771,000
Group earnings after taxation		£1,454,000	£1,216,000

**Interim Dividend**  
An interim dividend in respect of the year ending 31st March, 1979 of 2.0p (1977/78, 1.5p) per Ordinary Stock Unit will be paid on 31st January, 1979 to those persons registered as holders of the Stock at the close of business on 3rd January, 1979. Such dividend will absorb £978,096 (1977/78, £733,752). The Directors currently anticipate that they will be able to recommend the payment of a final dividend of at least 3.5p per Ordinary Stock Unit.

Assets	30th September 1978	31st March 1978
Investments at market value or valuation	£79,384,000	£70,647,000
Net assets	£76,120,000	£68,323,000
Net asset value per stock unit of 25p	155½p	139½p



AN ELECTRA HOUSE COMPANY

## Good start by London Scottish Finance

TRADING HAS begun well at London Scottish Finance Corporation and Mr. R. H. Landman, the chairman, tells members in his annual statement that he believes the group will have another very good year.

Its gearing, "which must be amongst the lowest of any publicly quoted group in the financial sector," will help it to offer a higher interest rate, he adds.

At balance date, gearing was 12:1, as the ratio of net bank borrowings to shareholders' funds including convertible loans, and 2:1:1, as the ratio of total borrowings, including all loans, to net assets.

As already known, pre-tax profits jumped 84 per cent to £31,408 for the year to July 25, 1978, on turnover of £5.12m (£2.68m). Basic earnings per 10p share gained 80 per cent to 9p and the dividend is raised from 1.7p to 2.14p net. A one-for-two scrip issue is also proposed.

Group reserves increased nearly £1m to £2.23m and net assets per share were up 51 per cent to 53p. Fixed assets amounted to £301,509 (£175,897) and net current assets £3.1m (£2.18m).

Profitability of the group's debt collection service improved considerably and the acquisition of a

### EDINBURGH INV. REDEMPTION

The Board of Edinburgh Investment Trust has resolved to redeem the £147,444 of 5 per cent redeemable debenture stock 1980/90, at par, plus accrued interest, on June 1, 1979.

### RESULTS AND ACCOUNTS IN BRIEF

**AMBROSE INVESTMENT TRUST**—Net asset value, per capital share, as at October 30, 1978, 182.50p (unaudited) 185.40p.

**M. P. KENT**—Results to June 30, 1978, reported October 23. Net current assets £7.72m (£7.31m). Chairman says group has prime developments in the pipeline and with the current balance sheet he views the future with confidence. Meeting, Bath, November 17, at noon.

**A. CAIRD AND SONS** (clothing and sports goods retailer)—Turnover £1,165,700 (£951,500) for half year to July 31, 1978, profit £9,500 (£3,400) after tax £6,000 (£2,000).

**MACALLAN-GLENLIVY**—Results for July 31, 1978 year reported October 3. Group fixed assets £2.25m (£2.25m) net current assets £1.37m (£1.34m). Net liquid funds increased £2.45m (£2.27m). Meeting, Banffshire, November 26, at noon.

**VIEW FORTH INVESTMENT TRUST**—Turnover £114,500 (£116,750) for half-year.

Do you need current information on Limited Companies, including Balance Sheets, prepared in 6 days at a cost of only £2.50?

**sitrep**

For more information, write 'Sitrep' on your visiting card and send it to:  
E.C. Company (UK), Shaw House,  
27 West Way, Boreley, Orfords.

## RAMAR TEXTILES

LIMITED

MANUFACTURERS AND DISTRIBUTORS OF LADIES' CLOTHING

Extracts from the statement by the Chairman, Mr. Michael Radin

Results and Dividend I am reporting profits before taxation of £205,983 which is less than the profit achieved for the previous year of £274,670. The lower results shown are mainly due to the re-organisation that has been taking place gradually over the last two financial periods.

The Directors recommend that an Ordinary dividend be paid of 6.036p (gross 9.009p), which is the maximum permitted.

Future prospects There has been continuing re-organisation in the Company even within the last six months. We have strengthened the Company's management team both in sales and production. The increasing units and value of turnover which we have so urgently needed are appearing on our order books and should reflect in improved profits in the latter part of the year. I am now more confident for the future especially since there is at present a positive demand for quality merchandise, for which the Company has earned an excellent reputation and image.

# Gold Fields

## Meeting world demand for essential raw materials

Natural resources provide the raw materials on which our civilization depends. Finding, developing, processing and supplying many of the world's most important raw materials is the key role of the Gold Fields Group.

Consolidated Gold Fields is international and its main interests are construction materials, industrial operations and mining. Group companies operate in the United Kingdom, Europe, America, Africa, the Middle East and Australia; creating wealth and employment by developing resources to meet the needs of mankind.

### Construction materials:

Gold Fields is a leading producer in the United Kingdom and growing fast overseas. Last year, for example, one of the biggest concrete pipe manufacturers in the United States joined the Group.

In addition to civil engineering contracts, motorway and airport construction, the product range includes quarried stone, sand and gravel, concrete pipes and building blocks, Premix ready mixed concrete, asphalt and macadam.

### Industrial and commercial operations:

These include steel stockholding, distribution and production. Scrap metal processing. Aluminium engineering. Shipping and road transport. General trading and financial services.

### Mining:

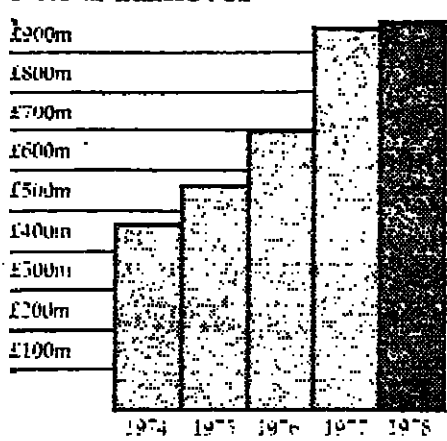
As a gold producer the Group is well known, but Gold Fields mines also provide a considerable number of other metals and minerals. These include coal, copper, iron ore, rutile, tin, titanium, uranium, zinc and zircon.

### Salient features of 1978

	1978	1977
Profit before interest and taxation	£7.5 million	£2.2 million
Taxation	87.5	16.1
Net profit attributable to the members of Consolidated Gold Fields Limited	34.5	25.0
Per Ordinary Share	25.15p	20.28p*
Ordinary Dividend	13.5	9.9
Cost to the Company	9.19p	8.01p*
Gross equivalent including related tax credit	13.72p	12.14p*
Assets Employed	596	488

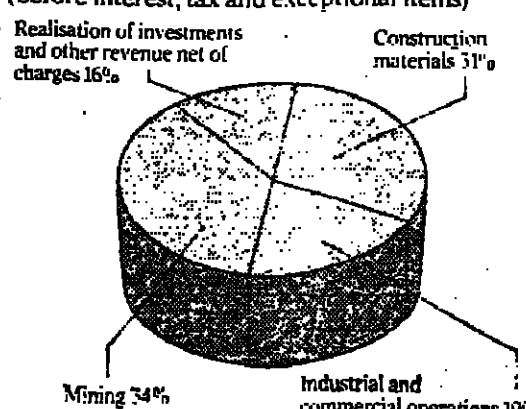
\*Adjusted in respect of the rights issue in November 1977.

### 5 Year Turnover

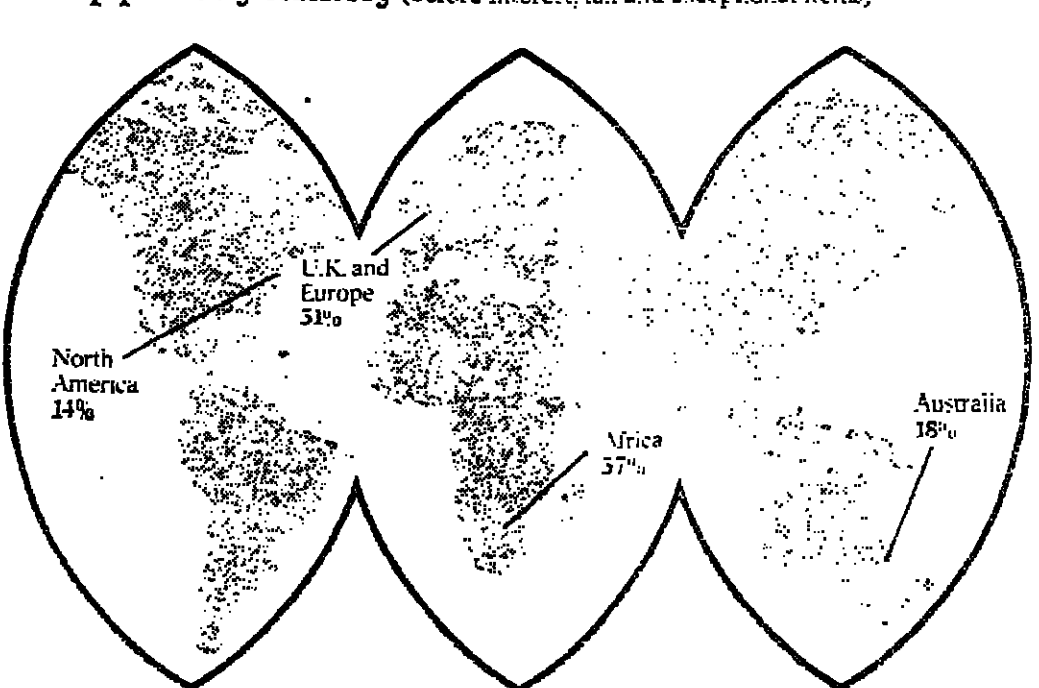


### Group profit by activity

(before interest, tax and exceptional items)



### Group profit by territory (before interest, tax and exceptional items)



The Registrar, Consolidated Gold Fields Limited,  
Lloyds Bank Limited, Registrar's Department, Goring-by-Sea,  
Worthing, Sussex BN12 6DA.

Please send me a copy of the 1978 Annual Report.

Name \_\_\_\_\_

Address \_\_\_\_\_



**Consolidated Gold Fields Limited**

49 Moorgate, London EC2R 6BQ.

International—Diverse—Resourceful



## BIDS AND DEALS

## Dawson and Haggas still having discussions

The chairman of Dawson International and John Haggas failed to reach agreement on merger terms at a meeting last Friday but talks aimed at concluding the negotiations by the end of this week are continuing.

"Nothing is certain in this life and the merger is wide open one way or the other," Mr. Alan Smith, Dawson's chairman, said yesterday. "I'm keen on it, John Haggas is keen on it, but there is the question of what's fair and equitable to both sets of shareholders."

Meanwhile, Mr. Haggas, chairman of John Haggas, in his annual report, released yesterday, cautioned shareholders not to be too disappointed if agreement to merge with Dawson was not reached. He added that Haggas directors would not recommend a merger unless they felt sure that this was a sound investment with excellent prospects for growth.

Turning to his company's per-

formance in 1977/78, Mr. Haggas said that despite a year of varying fortunes the company had achieved a 24 per cent increase in profits and improved substantially its cash position. The return on capital was 32 per cent and net earnings per share improved from 13.01p to 15.81p.

Turnover from the spinning division was considerably ahead of the previous year due to a much greater usage of pure wool but profits did not quite achieve the 1976/77 levels. Profits from the future looks better than for many years, he added. "The fur fabrics division had a splendid year and fulfilled our best hopes. Profits more than doubled and it gives us considerable scope for further progress."

The consolidated balance sheet shows that net current assets at June 30 were £7.9m which includes almost £10m in quoted investments, largely gilts. A year ago the figure was £5m. The increase was funded partly from internal cash flow and partly through a £1.5m increase in bank borrowings.

Stock on hand rose from £1.7m to £2.3m; debtors was up from £2.0m to £2.4m while creditors totalled almost £3m compared with £2m a year ago. The value of shareholders' funds rose from £5.7m to £11.1m.

He stressed that a merger with Dawson was still an interesting prospect and stated that the proposed integration of management in the new company to be formed would give excellent prospects for growth.

Turning to his company's per-

## METAL BOX

The bid of £12.5m (\$25m) by Metal Box for Riddon Manufacturing of Connecticut, first announced on October 19, went to tender yesterday.

The agreed bid, for \$20 a share,

## Corn Exchange

## in new talks

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

The on-off bid saga at the Corn Exchange is both off, and on again.

In a statement to the Stock Exchange yesterday the company announced that the bid talks which sent its shares up by a third on October 19 have now broken down. But in the same statement the company explains that another bidder has appeared and that, once again, the Corn Exchange and Kleinwort Benson, its financial advisers, are in discussions which "may or may not lead to an offer being made."

The news helped the shares to move 3p higher to 225p yesterday.

At the height of the last property boom, in 1973, an £18m valuation on the Corn Exchange's Mark Lane property in the City was viewed as unduly cautious by takeover spotters. A December 1977 valuation of the building at £3m, and supporting net assets of 275p a share, is now seen in the same light, and last year's news that Mr. Ron Brierley's Australian-based Industrial Equity group has acquired a 21 per cent shareholding revived bid interest.

Neither the company nor its advisers would name either the failed, or the new bidder, yesterday. But a number of enquiries have been received since the first announcement of an approach, and so an informal auction for the company may well be in progress.

## LONRHO PROBE EXTENDED

The Monopolies probe into the Lonrho takeover bid for Scottish Western has been extended, taking longer than planned and the investigation is not now due to be completed until next year.

The Monopolies and Mergers Commission, which has been

working its way through a large amount of evidence, has successfully applied to Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection to extend the deadline for its report until February 11, 1979. It had been due to present its findings by the end of this week.

A spokesman for the Commission said yesterday that more time had been needed to complete its work.

The investigation has been complicated by the fact that a merger with SUTTS would increase Lonrho's holding in the House of Fraser from 19.38 per cent to just under 30 per cent.

## GREENCOAT PROPS.

Greencoat Properties has sold its 55.19 per cent shareholding in the City of Aberdeen Land Association to the Scottish Western Trust Company for £332,000.

Scottish Western, which is paying 10p a share less the rights to a 3.52p a share final dividend, is extending its 103p per share cash offer for the balance of Aberdeen's shares.

Scottish Western's bid compares with Aberdeen's book net assets of 93p a share.

## ICFC STAKE IN PARSONAGE

Industrial and Commercial Finance Corporation has put up £130,000 to back the takeover of Parsonage Transformers by its managing director, Mr. Derek Chandler.

Through the package ICFC is to take a 35 per cent stake in Parsonage. The rest of the money is a loan. The company has been bought from Nevill Electric (Holdings) in a deal estimated to be worth £160,000. Parsonage manufactures components for a wide range of electrical and electronic products.

## MINING NEWS

## Mostly tiny diamonds so far at Ashton

BY KENNETH MARSTON, MINING EDITOR

THE PROMISED further progress from a limited number of surface samples.

The results are thus not necessarily representative of the over all grade of the pipes. The next quarterly report is to be issued in January, but it has been stated that the work scheduled for the remainder of this year is not expected to provide any reliable information as to the grade of any individual pipe; so far 26 pipes have been discovered.

Partners in the Ashton venture are: Ashton Mining 22.4 per cent, AO (Australia) 4.6 per cent, Sibeka 7 per cent, Tananest Proprietary (previously Tananest Holdings) 8.4 per cent and Northern Mining 5 per cent.

The first phase of surface testing of the pipe "A" is now complete. Over the past three months, 27 samples containing 2,730 cubic metres of material from the pipe have been treated for a yield of 197 carats of diamonds. This is a mixture of industrial and gem qualities made up of 966 stones, the largest of which is 4.9 carats.

Over the same period the scout sampling programme has worked on a total of nine pipes. From these 60 samples covering 5,760 cubic metres have yielded 215 carats of diamonds. This was made up of no less than 2,819 stones, the largest of which weighed 8.7 carats.

Clearly, the bulk of the diamonds so far obtained must be of a very tiny size indeed. But the current testing phase is designed only to define whether or not the pipes contain diamonds and the latest results are only

A second interim dividend of 16 per cent in respect of the year ended June 30 has been declared by Tongkah Harbour Tin Dredging. It makes a total of 24 per cent on the M51 shares for the past year compared with 371 per cent for 1977-77. Production of tin concentrates for the first three months of the current financial year amounts to 129 tonnes against 137 tonnes a year ago.

## Irish smelter seeks planning permission

THE IRISH Industrial Development Authority has decided to apply for outline planning permission to build an electrolytic zinc refinery to process material from the Navan lead-zinc deposits at County Neath of Tara Exploration and Bula, reports our Dublin correspondent.

The IDA has decided on a site in County Kerry, on the south bank of the Shannon Estuary and lodged its application with the County Council yesterday. The site was chosen because of its proximity to deep water, availability of land and small population.

But the IDA has not yet found a partner to build the refinery which would cost about £100m. Government policy is to build the bank of the Navan lead-zinc deposits in conjunction with a private company, but New Jersey Zinc, which did some preliminary studies, indicated some time ago it was not planning to go ahead with the deal.

## Still heavy going for Falconbridge

LATEST NEWS from the Canadian mining scene includes further losses from the Falconbridge group, but more encouraging developments from the small Vestron and Barymin companies.

Against the background of continuing depression in the nickel market, Falconbridge Nickel reports a nine-month loss of C\$11.2m (\$4.76m) compared with a re-stated loss of C\$16.5m in the same period of 1977.

Latest results from the 502 per cent-owned Falconbridge Copper, however, make a more cheerful showing. In this case a profit of C\$8.37m has been earned in the first nine months of 1978 compared with one of C\$4.96m in the same period of last year. The 1978 figure is after a loss of C\$1.79m from minority interests.

The Yava lead prospect at Nova Scotia's Cape Breton Island, on which Barymin's current hopes rest, has been given financial assistance of C\$200,000 by the province to exploit its deposits. Nova Scotia's Minister of Development has described the assistance as "a catalyst" to the development of the operation.

Barymin has now made substantial progress in arranging the remaining financing of C\$2.3m for the Yava property. It is hoped to get the mine to production before the year is out at an initial ore milling rate of 600 tons a day.

Vestron Mines, the Cominco-controlled company which operates the Black Angel zinc-lead mine in Greenland reports net earnings for the first nine months of C\$274,000 compared with C\$5.23m in the same period of last year. But this represents a turn for the better because earnings in the third quarter were C\$1.03m, more than recovering the loss made in the first half. Demand and prices for zinc concentrate have improved while markets for lead concentrate remain strong, it is stated.

## NEW U.S. \$200M MOLY MINE

Union Oil of California is to spend \$200m (£101m) to develop a molybdenum mine at Questa, northern New Mexico. The newcomer will be adjacent to an open pit mine which MolyCorp, a Union subsidiary, has been operating since 1965. The project will include modernisation of the ore handling and treatment facilities.

Union said that production will begin in January 1983 and full production capacity of 18,000 tons of ore a day will be reached by

mid-1984. The mill should produce 18m to 20m pounds of molybdenum a year for at least 20 years, Union added.

## Nabarlek still in the lead

THE NABARLEK uranium deposit in Australia's Queensland Mines will be the first Northern Territory uranium mine to come into production, according to the Trade and Resources Minister, Mr. Doug Anthony.

He told an airport Press conference on his return from China this weekend that Queensland Mines believes Nabarlek can be producing within two years whereas the larger Ranger find of EZ Industries and Fekowalland will take three years to develop to production.

Mr. Anthony hoped an agreement between Queensland Mines and the Northern Land Council, representing the Aboriginal people, could be concluded by Christmas.

As previously reported, an NLC spokesman has said the question of the route to an access port for Queensland Mines is the only remaining issue to be settled.

Mr. Anthony said he was very pleased that the NLC, representing Aboriginal landholders in the territory's uranium province, had signed the agreement last Friday on terms and conditions for developing the Ranger site. The delay in mining uranium had probably lost some market opportunities but better to start now than not at all, Mr. Anthony said. "I think we'll get our share of the market."

## ROUND-UP

Hudson Bay Mining and Smelting of Toronto said that its offer to purchase International Chemical Corporation's interest in Tantalum Mining Corporation of Canada has been approved by the Federal Government's Foreign Investment Review Agency. TANCOC's other shareholders are Keweenaw Beryllio Industries and the Manitoba Development Corp. Hudson will pay \$6.52m for Chemical's interest following the sale to Keweenaw. TANCOC will be C\$4.89m. TANCOC is mining tantalum at Bernic Lake, Manitoba, and proven reserves are sufficient to last until 1982 at the current mining rate. TANCOC has substantial undeveloped proven reserves of ore a day will be reached by

CLIVE INVESTMENTS LIMITED  
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.  
Index Guide as at October 24, 1978 (Base 100 at 14.1.77).  
Clive Fixed Interest Capital ..... 129.21  
Clive Fixed Interest Income ..... 113.85

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.  
45 Cornhill, London EC3V 3PB. Tel.: 01-625 6314.  
Index Guide as at November 2, 1978  
Capital Fixed Interest Portfolio ..... 100.02  
Income Fixed Interest Portfolio ..... 100.01

CCF  
CREDIT COMMERCIAL DE FRANCE  
U.S. \$45,000,000 Floating Rate  
Notes 1978-1985  
For the six months  
November 3rd, 1978 to May 3rd, 1979  
the Notes will carry an  
interest rate of 12 1/4% per annum.  
Listed on the Luxembourg Stock Exchange.  
By: Bankers Trust Company, London.  
Agent Bank.

## ZÜRICH VIENNA

## Two more cities join the land of business opportunity.

Brazil's fast-expanding economy makes it today's real land of opportunity for overseas businessmen. And wherever Banco do Brasil has an office the frontiers of this booming market are brought to your doorstep.

Now the bank's services are at your disposal in Zürich and Vienna, as well as in 48 other centres outside Brazil. Banco do Brasil will tell you all about the business opportunities that exist in its home country. And its efficient and knowledgeable staff will give you the support and guidance that are indispensable when you venture into a new market.

With nearly 1,200 branches in Brazil, Banco do Brasil is uniquely well-placed to put you in touch with the contacts you need, and with assets of US\$ 46 billion can give you all the backing you need for success.

Talk to Banco do Brasil soon. Open up new horizons for your business, and count on the support of one of the world's great banks.

In Zürich: Waisenhausstrasse, 5-8001, Zürich  
In Vienna: Tegethof Strasse, 4/2-1010, Vienna

**BANCO DO BRASIL**  
Your gateway to business in Brazil.

AMSTERDAM • ANTOFAGASTA • ASUNCION • BOGOTA • BRUSSELS • BUENOS AIRES • CARACAS • CHICAGO • COCHABAMBA • COLON • CONCEPCION • FRANKFURT • GENOVA • GRAND CAYMAN • HAMBURG • LAGOS • LA PAZ • LIMA • LISBON • LONDON • LOS ANGELES • MADRID • MANAMA • MEXICO CITY • MILAN • MONTEVIDEO • MONTEVIDEO (CIUDAD VIEJA) • NEW YORK • PANAMA • PARIS • PARIS (OPERA) • PAYSANDU • PUERTO R. STROSSNER • QUITO • RIVERA • ROME • ROTTERDAM • SAN FRANCISCO • SANTA CRUZ DE LA SIERRA • SANTIAGO • SINGAPORE • STOCKHOLM • SYDNEY • TEHRAN • TOKYO • TORONTO • VALPARAISO • VIENNA • WASHINGTON • ZÜRICH.  
NEARLY 1,200 BRANCH OFFICES IN BRAZIL.



## Hunt & Moscrop set to reap long term benefits

—





## THE TENNECO RECORD

# Tenneco raises dividend 10%; 7th consecutive annual increase.

Tenneco has raised its fourth quarter dividend on common stock by 10 percent, from 50 cents a share to 55 cents. This is the Company's seventh consecutive annual increase, the eleventh since 1965.

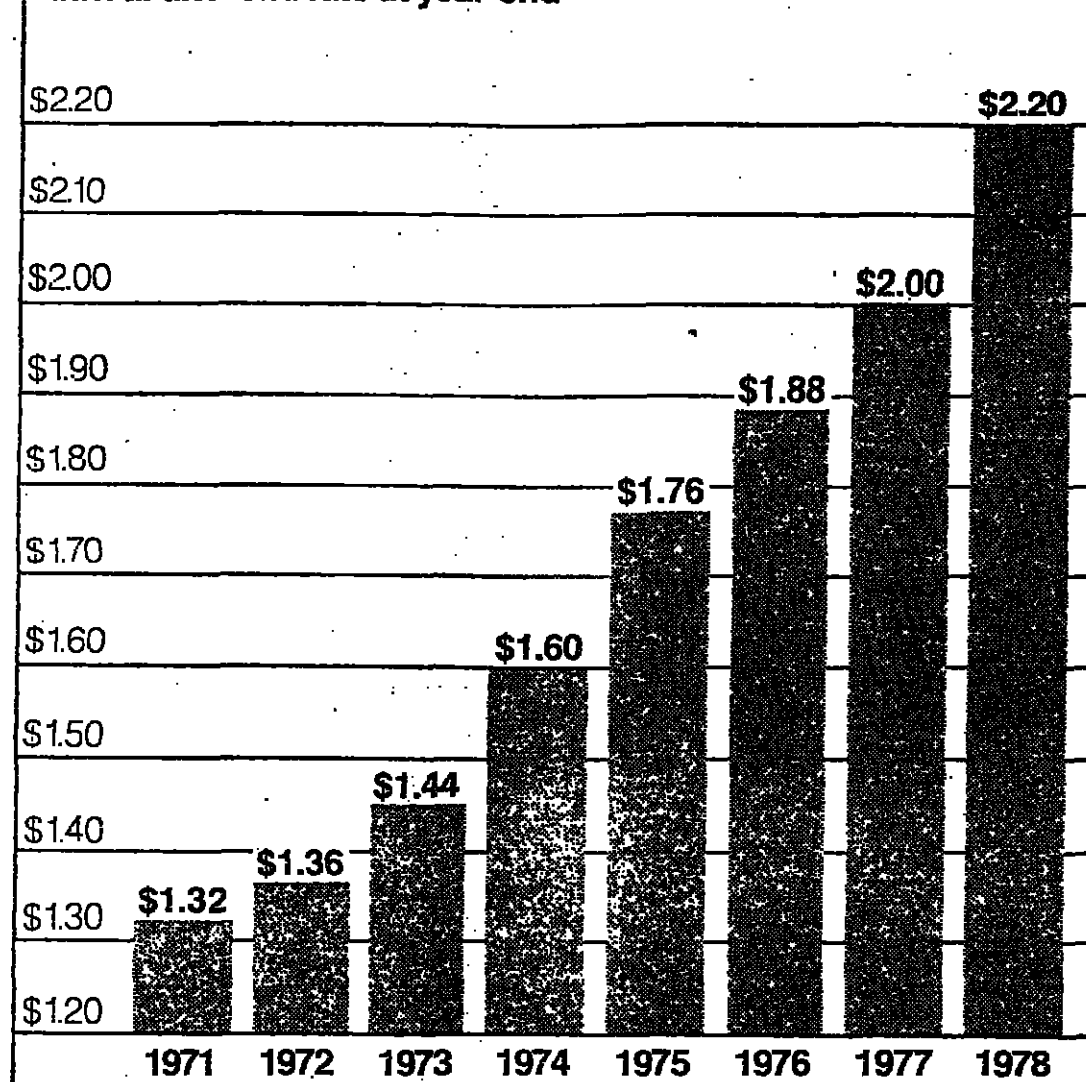
The increase brings the annual dividend rate at year-end to \$2.20 a share, compared with a former rate of \$2. The common stock payout for 1978 will be \$2.05.

The dividend increase is based on Tenneco's current financial strength and realistic expectation of improvements in the future. During the years from 1971 to 1977, Tenneco's fully diluted earnings per share increased from \$2.04 to \$4.11, an increase of 101 percent.

Current annual dividend rate	\$ 2.20
Current stock price (Oct. 24)	\$31.63
Yield	7.0%

Tenneco continued its commitment to growth last year by allocating capital expenditures of \$714 million, more than half of which went toward energy exploration, development and facilities. And the figure will be even larger in 1978. Underlining the importance of energy to the Company, about two-thirds of this capital outlay is devoted to efforts

Annual dividend rate at year-end



to satisfy the energy needs of Tenneco customers.

Sound diversification, a vigorous program of capital expenditures, centralized investment decision-making and decentralized operating management have

combined to help Tenneco grow. The results speak for themselves.

For further information, security analysts are referred to Tenneco's Statistical Yearbook, Tenneco Inc., Dept. X-5, Houston, TX 77001.

# Tenneco

## We're up to our ears in water technology.

To mankind, water is probably the most important of nature's elements. Without it nothing grows and people suffer. Unfortunately, we can not always rely on Mother Nature to put the water where it's needed most, and that is what water supply systems are all about. At Kubota, our experience is yours to use.

Since 1890, Kubota has developed a vast knowledge of water supply systems, and has helped in the building of many in Japan.

Kubota has won acclaim the world over for the products

it produces for water supply and is today helping supply many of the world markets with the highest quality Pipe, Pumps and Valves. Kubota is a leading maker of ductile iron pipe in the world, and at the present time we have also built the largest diameter ductile iron pipe in the world, 2,600mm, using our centrifugal casting method. Kubota we are proud to say has

been a leader in the field of anti-corrosion research and development for pipe. And our technology is available the world over to Water Supply Consultants and Engineers, if the need be Pipe, Pumps and Valves or helping to select the best route, even the actual laying of the pipe. Kubota also manufactures a variety of products for irrigation systems. So if it's water you need, Kubota will help you get it where you want it.

Please write: Kubota Ltd., London Office: 11/12 Hanover Street, London W1R 9HF, U.K. Phone: 01-625-6471-4 Telex: 263235-KUBOTA G  
Athens Office: 20/28th of October Street Filothei, Athens, Greece Phone: 6825846-6830605 Telex: 218261-KBT GR

## CONTRACTS

## William Moss gets £6m order

The Loughborough branch of assembly and test of special purpose cable assemblies used on submarines to provide an umbilical connection between the torpedo and the submarine. They awarded a contract worth over £5m by Metal Box for extensive alterations and additions to a factory at Braunstone, Leicestershire, allowing constant updating on situation.

A contract to supply 200 Univac compatible video display terminals to the Telecommunications Authority of Singapore (TAS) has been awarded to DELTA DATA SYSTEMS through the company's Far Eastern distributor — Total Computer Systems — in Singapore.

The Post Office has ordered, from PVE TMC, electronic regenerators worth over £12m for telephone exchanges.

FIELDING AND PLATT — the Redman Heenan company — has been awarded a contract worth nearly £700,000 to supply a 16-Megawatt extrusion press and associated equipment to Ghanaian company.

The electrical work in the facilities building at the new Hoover factory at Merthyr Tydfil is to be installed by the Bristol branch of HADEN YOUNG, part of the Haden Carrier Group. The contract is valued at £140,000.

PVE TELECOMMUNICATIONS has won orders worth well in excess of £1m. The contracts include orders for communications equipment for police, fire, postal authorities, security organisations, Government departments and airport authorities.

LARGEAR, a Cambridge-based Pye Group company, has been awarded a £175,000 contract to manufacture a telephone cable pair identifier for the Post Office.

RACAL COMMUNICATIONS has secured a contract to supply the Defence Ministry with computer controlled RF receivers worth more than £750,000.

CHRYSLER UK has secured two further fleet car contracts worth over £2.5m during the International Motor Show. This brings the total value of fleet car orders received during the Motor Show to over £8m. The latest orders come from Channel Islands Car Hire Operators for models worth over £2m and from Europcar, the European daily car rental company, for models worth over £500,000.

GAS AND EQUIPMENT of East Tullis, Aberdeen, has been awarded a £200,000 contract to provide oxygen and helium gas storage facilities on a support vessel under construction for Occidental Petroleum (UK).

A contract worth about £750,000 has gone to the Leeds branch of N. G. BAILEY AND CO. for electrical work in the extension and alterations to the Halifax Building Society's computer centre in Halifax.

A contract worth about £242,000 which includes site development works for an advance factory at Lower Broughton has been awarded to POCHIN (CONTRACTORS) of Middlewich, Cheshire. The factory is for the Department of Industry.

CIRA-GEIGY ENVIRONMENTAL TECHNICAL SERVICES has won a contract worth more than £200,000 placed by the North West Water Authority. Eastern Division. The project comprises the design, installation and commissioning of a multi-stage wet-scrubbing system at the Davy Hulme Effluent treatment works, Manchester.

GRUNDY AND PARTNERS of Stonehouse, Gloucestershire have won a £1.5m contract from CEASING SYSTEMS — The White AUWE (Admiralty Underwater Weapons Establishment), The London. The contract is worth

£150,000. Ford dealer J. Blake and Co. of Liverpool, has ordered a new ICL 2803/40 computer system valued at about £100,000.

ENGLISH ELECTRIC VALVE COMPANY, of Chelmsford through its American subsidiary EEV Inc., Elmford, has been awarded a contract worth more than £250,000 by CCA Electronics Corporation, New Jersey. The order covers the supply of key assemblies to be used in CCA's new line of UHF TV transmitters.

The hotel systems division of MARCOL COMPUTER SERVICES has received an order from Rank Hotels to install Marcol's CHAMPS — computerised hotel accounting and management system — at The White House Hotel, Regents Park, London. The contract is worth

£150,000.

## PHILIP HILL INVESTMENT TRUST LIMITED

### Interim Report

The Directors have declared an interim ordinary dividend of 2.75p (5.5p per share) in respect of the year ending 31st March 1978 to be paid on 11th December 1978 to Shareholders on the Register on 3rd November 1978.

The Directors present their Interim Report (unaudited) for the half-year to 30th September 1978.

Year to 31st March 1978 Half-Year to 30th September 1977 Half-Year to 30th September 1978

£	£	£
5,337,000	2,789,000	3,510,000
2,087,000	1,059,000	1,024,000
7,424,000	3,828,000	4,534,000
1,347,000	188,000	518,000
1,078,000	521,000	626,000
348,000	184,000	98,000
1,815,000	942,000	1,158,000
48,000	24,000	24,000
3,814,000	1,558,000	2,122,000
23,790,000	21,969,000	22,412,000
7.90p	4.11p	5.01p
23,788,000	21,198,000	21,323,000
7.90p	2.50p	2.75p

Note: Owing to the incidence of certain dividends during the first half of the current year, earnings for the second half-year are not expected to show the same rate of increase as in the first half-year.

£	£	£
135,380,000	135,021,000	140,630,000
235.5p	241.2p	255.5p
7.1p	5.4p	8.3p
10.0p	19.8p	11.6p

8 Waterloo Place, London SW1T 4AY.  
25th October 1978.







## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Moves by Agache-Willot cause concern at bourse

BY DAVID CURRY

PARIS, Nov. 6.

FINANCIAL MOVES now taking place within the highly individualistic and frequently controversial French textile group Agache-Willot—which recently took over the Bouscasse textile empire—are causing concern at the stock exchange watchdog authority, the Commission des Opérations de Bourse, and among investors.

The parent company, Agache-Willot, has still not published its final results for the year which ended on March 31, while the group is trying to extend the financial years of two of its most important subsidiaries to 18 months so they will end on June 30, 1979 instead of December 31, 1978.

One of these subsidiaries is Saint-Freres, which initially announced a FFr 15.5m profit for 1977 but which was obliterated by the COB and its accountants to turn this to FFr 8.1m because of depreciation of property values. The 1978 financial year has already been extended to 18 months.

The other company is Consortium General Textile, and shareholders are being asked in

a week's time to approve the extension of the financial year.

Agache-Willot holds 61.4 per cent of CGT. CGT's 1977 accounts have still to be published. The parent company's provisional profits were put at FFr 44m, but this was before provision for depreciation of the portfolio's value. The bourse expects to see the parent company as well as the two big subsidiaries reporting a final loss.

To add to the uncertainty, Agache-Willot recently abandoned a project to merge the two subsidiaries.

The four Willot brothers who control the group have a reputation for taking financial shortcuts. In 1974 they were found guilty by a French court of share manipulation and fraud connected with their takeover of Bon Marche, and received heavy fines and a suspended prison sentence.

They acquired Saint-Freres in 1969, and followed this with La Belle Jardiniere and Bon Marche. Two years after the conviction they were again on the takeover trail when they took over the

country's leading chain of furniture stores, Conforama.

Saint Freres was used this year when the Willot brothers acquired the bankrupt Bouscasse empire, together with its losses of some FFr 10-12m a month.

Earlier this year, the group had taken control of the Belgian stores concern Galeries Anspach, and then used Galeries Anspach as the vehicle for the acquisition of a 51 per cent stake in the U.S. east coast stores chain, Korvettes.

All this year's acquisitions are operating at a loss at the moment, it is understood, although the American chain is regarded as a good recovery prospect.

M. Georges Herell, the chairman of Agache-Willot, has been breaching for some time the need to reorganise the group, which would probably take the form of the creation of operating subsidiaries covering the commercial activities and textiles respectively, reporting to a holding company. But this restructuring has still not seen the light of day, and the group's accounting is still too opaque for the liking of the COB.

## Kockums suspended as talks warm up

By John Walker

STOCKHOLM, Nov. 6.

TRADING in the shares of Kockums, the Swedish shipbuilding and industrial group, was suspended in Stockholm today at the company's request as talks with the Government on the possibility of a state takeover gained momentum.

The Ministry of Industry announced that the head of the industrial section of the Co-operative Association, Mr. Ruter Marten-Lof, is to be the state's chief negotiator in the talks, which are expected to produce an agreement "before the end of the year at the latest."

Last week, Kockums, which is the last major Swedish yard in private hands, unveiled an eight-month loss of SKr 174m before tax, and forecast that for 1978 as a whole losses could top SKr 200m (\$46m). Recent government loans were expected to safeguard liquidity until the end of 1978.

According to some observers, the shipyard has met with a hard attitude from the government and it is believed that the chief negotiator wants to offer only a token sum for the yard. It is generally thought that the yard will eventually be swallowed up by the state shipbuilding giant Svenska Varv.

In June, Kockums arranged a \$200m credit facility under a state guarantee and received a SKr 340m direct loan from the government.

## Unilever to sell U.S. advertising agency stake

By John Moore

INTERPUBLIC Group of Companies, the American advertising concern, is planning to buy the U.S. advertising agency, SSC and B Inc., including that company's 49 per cent stake in SSC and B Lintas.

Unilever, which holds the controlling 51 per cent stake in SSC and B Lintas, indicated yesterday that an agreement had been reached in principle with Interpublic for the sale of its stake to the group. Interpublic plans to buy out Unilever's stake for cash.

In its last financial year SSC and B (together with SSC and B Lintas) showed sales of over \$700m while Interpublic declared sales of \$1.5bn.

## Banks reach agreement on Liquichimica rescue plan

BY RUPERT CORNWELL

ROME, Nov. 6.

AN AMERICAN banking consortium has finally agreed on a rescue plan for the stricken chemicals group, Liquichimica, in outline by the consortium involved, only to be held up after second thoughts by some of the participants.

The bank salvage scheme, which involves an immediate advance of some L30bn, is linked to a further L11bn of aid from the Cassa per il Mezzogiorno Government agency, which channels funds to the depressed south of the country.

The plan covers four plants in Sicily and another in Calabria, where the acute problems of poverty were largely behind the collapse of the province's regional Administration last week.

The settlement is expected to mark a temporary conclusion to

the troubles of the group. It comes almost three months after a similar agreement was reached with the consortium involved, only to be held up after second thoughts by some of the participants.

Also included in the deal is the provision for part of the back pay due to workers now on strike at the plants to be made good. The arrangement averts the threat of bankruptcy and a complete close-down of Liquichimica operations there.

But the crisis in the country's chemical sector has been again underlined by the news that Anic, the chemicals and fibres concern mainly owned by the Ente Nazionale Idroelettrici (ENI) state energy group, may be forced into a further capital write-down, after a similar operation only a few weeks ago.

In the first six months of this year, Anic lost L115.6bn

on sales of L455bn (\$138m). There is therefore a likelihood that the full year's losses will exceed the stipulated figure of a third of the company's capital of almost L200bn, at which point a capital write-down and reconstitution becomes mandatory.

An extraordinary meeting of Anic shareholders has been called for next month, although it is not clear whether any capital restructuring would be carried out then, or be put back until after the financial year has closed.

These factors, coupled with the massive fundraising under way to increase the capital of the troubled Montedison chemicals group by over L200bn to L350bn have weighed heavily on the Milan bourse in recent days, and the market dropped again in most sectors today, although Anic itself rallied slightly.

## Philips links job prospects to markets

By Charles Batchelor

AMSTERDAM, Nov. 6.

PHILIPS, the Dutch electronics concern, can expect to shed 20,000 of the 85,000 jobs it now provides in Holland over the next 12 years, unless it adapts to new markets and new products. This is the conclusion of an internal report prepared by a special study group for the company, details of which were released today by the NVV industrial trade union.

The group, which is the largest private sector employer in Holland, confirmed the union's figures but said the report was not a policy document nor would it form the basis for any immediate decisions. The report was distributed to hundreds or so senior executives of the company in May for their reactions, it said.

The loss of nearly a quarter of Philips' jobs in Holland is the most gloomy of a number of possible developments discussed in the report, the union said. This would only materialise if it did not open up new markets, develop new products and move into new geographical areas. The recent expansion of Philips' activities in North America is an indication that the company is, in fact, developing new markets, it said.

In the past eight years, Philips has already shed 17,000 jobs in Holland, including 2,600 in 1977 alone. It employs 332,000 people worldwide and is the largest private employer outside the U.S. The company has reduced the number of jobs more quickly in Holland than elsewhere, but its worldwide workforce has also fallen from the 1974 peak of 412,000.

Employment in the electronics industry has been declining continuously over the past few years, due to technological and marketing developments. It said in a recent review of the labour situation. New components such as integrated circuits have reduced the time and manpower needed both in the making of the components themselves and in the final assembly. The slowdown in the sales growth rate by volume, coupled with improved productivity, has also contributed to the decline in the size of the workforce needed.

Import controls imposed by some countries and the high level of costs in Europe have led to the transfer of factories to cheaper countries. Philips has also had to set up in certain markets and centres of expertise, such as the U.S., in order to keep up with the latest developments.

## Bank Leu announces rights issue

By John Wicks

ZURICH, Nov. 6.

ZURICH-BASED Bank Leu AG, the fifth largest bank in Switzerland, announces a rights issue to raise SwFr 33.75m (\$21m). The issue, in the form of participation certificates, will be made to holders of existing shares and participation certificates in a ratio of 1:2 against shares and 1:10 against participation certificates.

The SwFr 100-nominal value certificates will be priced at SwFr 450 each. The issue will permit the bank to increase its balance sheet sum by up to about 10 per cent.

THE Swiss watch components undertaking Ebauches Electroniques SA, of Marly, has reached a joint venture agreement with Stellux Manufacturing Company of Hong Kong for the assembly in the Crown colony of liquid crystal display modules for electronic watches. Using technology and elements supplied by Ebauches Electroniques, the modules will be assembled by the Stellux affiliate Modutek. The decision to co-operate with Hong Kong has become necessary in view of high Swiss production costs.

## Sofina and Royale Belge in joint IPPA bid

BY OUR FINANCIAL STAFF

A MAJOR acquisition in the minority shareholder" in the field of banking and mortgages IPPA parent company, with its proposed by two prominent Sofina holding a controlling interest in Royale Belge.

Having taken a 30 per cent shareholding in Compagnie Financiere IPPA, the holding company, Sofina, intends to combine with insurance group Royale Belge and bid for the outstanding capital at BFrs 13,500 a share.

IPPA's last published consolidated assets totalled about BFrs 50bn while net profits were around BFrs 150m.

After the deal, Royale Belge equity interest of nearly 27 per cent would become "an important cent."

## Sperry to shut razor plant

PARIS, Nov. 6.

SPERRY Rand France intends to shut down its electric razor plant last year, but the plant is at Benfeld, in eastern France, still operating at less than 50 per cent capacity.

The decision reflects the reorganisation of its European activities. The decision will mean 230 workers at the plant will lose their jobs. The workforce has AP-DJ

**Our Sikorsky helicopters help make offshore oil production just a short trip from home.**

**They also help give our sales a powerful lift.**

Year	Sales (billions)
73	\$2.29
74	\$3.32
75	\$3.88
76	\$5.17
77	\$5.55

**UNITED TECHNOLOGIES**

Pitt & Whitney Aircraft Group • Otis Group  
 Essex Group • Sikorsky Aircraft • Hamilton  
 Standard • Power Systems Division  
 Norden Systems • Chemical Systems Division  
 United Technologies Research Center  
 United Technologies Corporation  
 Hartford, Connecticut 06101 U.S.A.

United Technologies common stock is traded on the following European exchanges:  
 Amsterdam, Basel, Brussels, Frankfurt,  
 Geneva, Lausanne, London, Paris, Zurich



## The Royal Bank of Scotland

### INTEREST RATES

The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank was incorrectly stated on the 4th November as being increased to 7% per annum; this should have read 8½% per annum.



### Co-operative Bank

With effect from 6th November, 1978 the following rates will apply

**Base Rate Change**

**From 10% to 11½% p.a.**

Also:

7 Day Deposit Accounts 9% p.a.  
1 Month Deposit Accounts 9½%



**Barnett, Christie Limited**  
Bankers

15 Bedford Square, London W.C.1A 3AE

### Base Rate

Barnett, Christie Limited announces that with effect from the close of business on 6th of November 1978 and until further notice, its Base Lending Rate will be 12½%.

### Base Rate Change BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 7th November, 1978, and until further notice their Base Rate for lending is 11½% per annum. The deposit rate on all monies subject to seven days notice of withdrawal is 8½% per annum.

### The war that never ends



We British are a peaceful people. When a war is over we like to consign it to the history books — and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten: the widows, the orphans and the children — for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men — and women, too. Please will you help us to do more? We must not let our soldiers down.

**The Army Benevolent Fund**  
for soldiers, ex-soldiers and their families in distress  
Dept. FT, Duke of York's HQ, London SW3 4SP

## INTERNATIONAL FINANCIAL AND COMPANY NEWS

### FOREIGN INVESTMENT IN BRAZIL

## Courting Europe and Japan

BY DIANA SMITH

THE SHARE and growth of U.S. investment and re-investment in Brazil has been dropping steadily while European and Japanese investment rises. This is the conclusion of a study published by the country's major daily newspaper, *Jornal do Brasil*.

In 1969, U.S. capital accounted for 47.48 per cent of all foreign capital invested and re-invested in Brazil. In 1976 this share dropped to 32.22 per cent, and in 1978 to 30.44 per cent. The U.S. is still the largest foreign investor in Brazil — with a 1977 balance of \$3.4bn compared with \$2.9bn in 1976, a 17.52 per cent increase. Since 1972 the increase has

been averaging 18.78 per cent a year as against 20.77 per cent annually between 1970 and 1973.

It has been the deliberate policy of the Government of President Ernesto Geisel, which took office in 1974, to decrease dependence on the U.S. by diversifying and intensifying trade ties and encouraging investment from Europe and Japan. The success of this policy is reflected in the 37.15 per cent rise of West German investment and re-investment in Brazil in 1977 — bringing the balance to

\$1.5bn and making West Germany Brazil's second largest foreign investor. Much of this rise is due to the multi-billion dollar nuclear energy agreement signed between the two countries in 1975. Nevertheless, the steady growth of concerns like Volkswagen and Siemens of Brazil has also contributed to this increase. Japan ranks third among Brazil's foreign investors, with a balance of \$1.2bn in 1977 — 19.62 per cent more than 1976. It is followed by Switzerland, with a 1977 balance marginally

below Japan's and 22.63 per cent higher than 1976. Britain has moved from sixth to fifth place, with a 1977 balance of \$548.8m. In the case of Britain and France — now number seven and eight — the balance in 1977 was \$429.78m (a 31.71 per cent increase over 1976's \$326.3m balance) — much of the upsurge is the aftermath of President Geisel's official visit to these countries in 1975, when import-

ant agreements were signed. British concerns like Datsy Ash-Crosst-Loire have moved with speed into the heavy capital equipment sector, particularly for the steel and hydroelectric industries.

Together, the Benelux nations had a total investment and re-investment balance of \$739.2m in 1977 putting them in ninth, tenth and fourteenth place on the list, respectively. In all, foreign investment and re-investment in Brazil grew by 24.61 per cent in 1977 — from a

balance of \$9bn at the end of 1976 to \$11.2bn at the end of 1977.

President Geisel's Government is now coming to its close. On October 15, an electoral college is expected to elect his chosen successor, General Joao Baptista Figueiredo, as the new President, to take office next March.

On the future of foreign investment to Brazil, General Figueiredo said recently: "There is no reason to alter the rules of the game known and accepted by foreign nations. Meanwhile, problems in managing our foreign debt (likely to reach \$40bn at the end of this year) make it more convenient for foreign money to be applied in the form of equity rather than loans to Brazilian subsidiaries."

TOKYO TANSHI COMPANY, the largest of 10 foreign exchange brokerage houses in Tokyo, will establish a new subsidiary in December apparently as a first step towards expanding its business overseas.

The significance of Tokyo Tanishi's move is that it coincides with major rethinking among international brokerage houses on how to penetrate the Tokyo foreign exchange market. Following the start-up of Astley and Pierce's Tokyo brokerage business in October, it appears that M. W. Marshall and Tullett and Riley, also both London-based, which are exploring the Tokyo market, may enter joint venture or agency arrangements

### MONEY BROKING

## International drive in Tokyo

BY RICHARD C. HANSON IN TOKYO

with local brokerage concerns rather than going it alone.

On December 1, Tokyo Tanishi is to split its present business in two, with Tokyo Tanishi itself handling all domestic call money and discount bills transactions. The new unit, to be named the Tokyo Forex Company (capitalised at ¥50m, or about \$440,000), will take on all foreign exchange activity. The Tokyo Tanishi management says that there are no plans to expand

into Singapore, Hong Kong or London. But it is understood that the Japanese company has been studying such a move and that Tokyo Forex offers the vehicle.

There is no consensus yet on when the Tokyo foreign exchange market will begin to undertake international brokerage business. But the recent start of international brokerage in New York is expected to have some influence in hurrying the

move. There is some talk of slowing the "internationalisation" of the yen to avoid a further loss of control by local monetary authorities. It seems inevitable, however, that foreign exchange activity in Tokyo will continue to expand, thus justifying preparations for internationalisation by the local brokers, as well as interest from the foreigners.

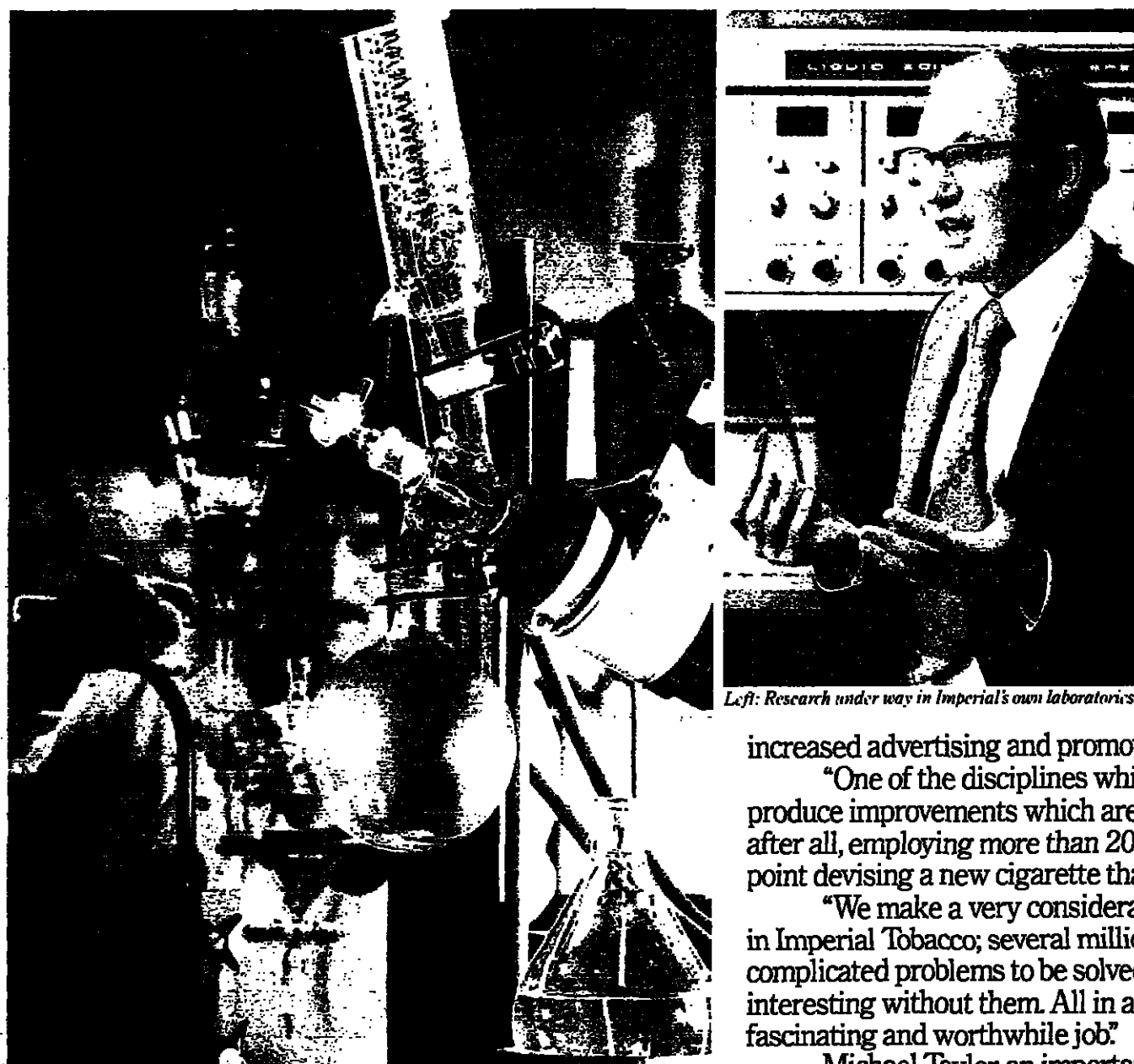
Tullett and Riley of London — a leading international broker — recently sent officials to Tokyo to pave the way for new business. They found considerable interest in the possibility of a joint venture. Marshall, which has been authorised to set up a money broking subsidiary in Tokyo, has also had to do some hard thinking about its prospects here. The costs of running a Tokyo operation are high, considering the uncertainty of success.

On the Japanese side, there is concern that new foreign houses would employ too many

of the few highly qualified brokers now working in Tokyo. The idea of co-operating with an established Japanese broker would reduce the friction of a new entrant. As a first stage, there could be some exchange of personnel, to get acquainted and for training purposes. Tullett and Riley, rather than competing for the local brokerage business, aims at the trend towards internationalisation offering the Japanese a direct link to its already extensive world wide network.

There is at present some heated debate over what many foreign and Japanese bankers consider an over-abundance of brokerage houses in relation to market needs. Foreign brokers are keen to avoid the impression of cutting the pie even further.

## Michael Taylor's research always goes up in smoke.



Left: Research under way in Imperial's own laboratories.

Currently the head of the Leaf Physics Group in Imperial Tobacco's Research Department, Michael Taylor has contributed a lot to the development of low tar cigarettes.

"Back in the mid-1960s, we decided, in consultation with the Government, to devote a great deal of time and effort to reducing the 'tar yield' of cigarettes. And we've made substantial progress — largely through basic work on cigarette design and specification.

"We've developed new tobacco blends, and found new sources of supply. We've improved the performance of filters substantially. And we've modified the actual cigarette paper a good deal, too.

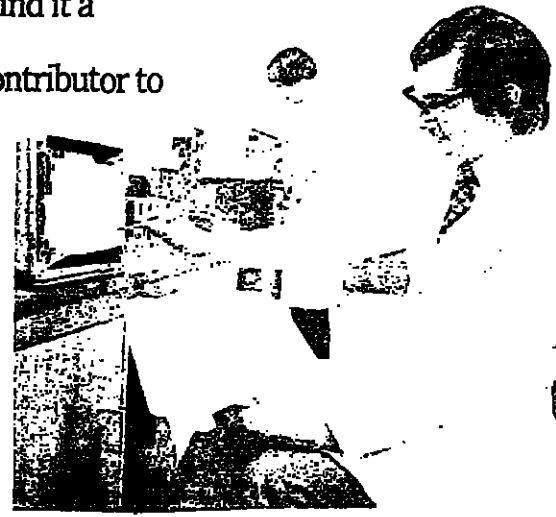
"All this research and development has contributed to the fact that British smokers today enjoy cigarettes yielding over 40% less tar than they did a few years ago; helped, naturally, by

increased advertising and promotion of low-tar brands.

"One of the disciplines which I personally find interesting, is the need to produce improvements which are acceptable to the customer. We're a business, after all, employing more than 20,000 people in the UK alone; and there's no point devising a new cigarette that nobody actually wants to smoke.

"We make a very considerable investment in research and development in Imperial Tobacco; several million a year, in fact. There are a lot of very complicated problems to be solved — but then, the job would hardly be so interesting without them. All in all, I find it a fascinating and worthwhile job."

Michael Taylor, an important contributor to what the Minister of State for Health described last year as the tobacco industry's "long-standing policy of reducing... the tar yield of cigarettes", is just one of the 20,000 people in the UK who make up Imperial Tobacco, the major British-owned tobacco company trading in the United Kingdom and a major taxpayer and investor in Britain's future.



## Imperial Tobacco: people at work

Imperial Tobacco Limited — a member of Imperial Group Limited

H.M. Government Health Departments' WARNING:  
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## JAPANESE NEWS

## Venezuela revives yen bond issue

BY RICHARD C. HANSON

VENEZUELA and Japanese underwriters are engaged in last minute negotiations over terms aimed at reviving a yen-denominated bond issue postponed three weeks ago. These could result in the first Samurai bond issue in nearly three months, but already doubts over market capacity have emerged.

The Japanese side has apparently decided to offer a ¥400m, five-year bond issue at 6.5 per cent per annum on a ¥250m, 10-year issue. When Venezuela originally postponed, it had wanted to float ¥400m for 12 years (the same time span as in two prior Yen issues), but securities houses were prepared to offer a yield of 7 per cent or a little above, according to industry sources. Nomura Securities, the lead underwriter, and other participants are aiming at a Wednesday signing date. So far, Venezuela has withheld a final reply.

The better offer by the Japanese underwriters reflects a recovery in bond market conditions for borrowers—perhaps a temporary one. Since mid-October, the secondary market yields on some foreign yen bonds have fallen by about 0.1 percentage point to 0.2 point, while municipal bond yields have dropped around 0.2-0.3 per cent. Also scheduled for November is a ¥400m, five-year bond issue by the Norwegian Government, which will bring the total for the month to the latest Finance Ministry monthly guideline of ¥100m per month, applying for this month and to December. If the market yields remain stable or improve, the Finance Ministry may be able to float its planned ¥250m, ten-year bond in December—an issue withdrawn last month. The postponed last month, a present schedule calls for a ¥500m Australian issue and a ¥150m Philippine issue, which

already fills the ¥650m monthly quota, however. The bond market recovery in the past three weeks is due mostly to seasonal and other special factors. This has led to the belief in some securities and banking circles that even if Venezuela manages better terms this time, they will be pushing the market in its limits—perhaps leading to problems in placing the bonds. Underlying the pessimistic view of the market remains the heavy backlog of National Government bonds due to be floated this month and next. For November, the Government plans to issue ¥1,650m or more than twice the ¥700m issued in October. The Government is believed to have cut the October issue total intentionally, so as to allow some recovery in the bond market. Other circumstances behind the current drop in yields and subsequent revival of Samurai

bond interest include a drop in the amount of National Bonds allotted to the securities houses themselves in October to ¥700m, from an original ¥1,200m, or to some 10 per cent of the total, and a scarcity of short-term maturity bonds since mid-October which has prompted some change in investor policy to longer-term securities.

## Mexico loan

A ¥200m 10-year loan has been made to the Mexican Government by Mitsubishi Bank and a group of 10 foreign bank branches in Japan. Reuter reports from Tokyo. Interest is 1.25 per cent over the Japanese three-month bill discounting rate. This is the first time interest on a yen syndicated loan to an overseas borrower has been based on the bill discounting rate, which currently stands at 4.575 per cent, Mitsubishi said.

## Malaysian equity distributed by Shell

By Wong Sulong

KUALA LUMPUR, Nov. 6. A JOINT VENTURE company, Tiram Kimia, has been formed to take over the distribution of Shell chemicals and consumer products, previously undertaken by Shell companies in Malaysia.

Tiram Kimia was incorporated with a capital of 10m ringgit, initially subscribed by Shell Overseas Holdings, a subsidiary of Royal Dutch Shell.

However, in order to conform with Malaysian Government policy, 51 per cent of the equity of Tiram Kimia is now held by Malays and Malaysian interests, and another 21 per cent has been bought by Timuran Holdings.

Timuran said it paid some 3.04m ringgit (U.S.\$1.4m) in cash for its shares. Tiram Kimia is expected to make a pre-tax profit of 5m ringgit for 1979.

## Pan Malaysia in cement kiln expansion

By Our Own Correspondent

KUALA LUMPUR, Nov. 6. THE LEADING Malaysian cement manufacturer, Associated Pan Malaysia Cement, is embarking on a major expansion plan with the construction of a 130m ringgit (U.S.\$60m) kiln which would produce 1.2m tonnes.

APMC has signed a syndicated loan of 100m ringgit to meet part of the cost. The remaining 30m will come from the company's reserves.

The loan, managed by the Hongkong and Shanghai Banking Corporation, is repayable over 11 years, and carries the interest rates that were described as "reasonably fine."

The new kiln, which would be built near APMC's existing plant at Rawang, 20 miles north of Kuala Lumpur, will be ready by 1980.

By then, APMC is expected to produce 2m tonnes of cement annually, representing 55 per cent of Malaysia's cement output. Part of the production is expected to be exported.

Construction of the kiln would be undertaken by Ishikawajima-Harima Heavy Industries (IHI), of Japan, and would incorporate "the best and latest in British and Japanese cement technology."

APMC's chairman, Mr. S. F. Wiley, said demand for cement in Malaysia was expected to increase by 10 per cent annually, as a result of strong demand from the construction sector.

## Hongkong Land in Macao hotel plan

BY RON RICHARDSON

HONG KONG, Nov. 6.

HONGKONG LAND Company is investigating plans to develop a first-class hotel and casino in Macao, which is 40 miles from Hong Kong by sea.

However, the property company already has considerable project have been released, Hongkong Land is known to be negotiating with Sociedade de Turismo y Diversos de Macau (STDM), which operates casinos in the Portuguese enclave under Government franchise.

It is proposed that the property company build and operate a top class hotel of about 500-room capacity while the adjoining casino would be run by STDM hotel operations.

## Textile takeover set up

BY ANTHONY ROWLEY

HONG KONG, Nov. 6.

SHAREHOLDERS of the Textile Corporation of Hong Kong (a subsidiary of the Hutchison Whampoa group) have approved a scheme of arrangement which will result in Mr. Eric Liang Chun Chen becoming the owner of the company.

Mr. Chen is also managing director of Textile Corporation, which he will pay to shareholders to the sum of HK\$9 in cash for each share in Textile Corporation. Trading in the shares of the company will cease on the four stock exchanges here at the close of business on November 15.

The Textile Corporation reported a pre-tax profit of HK\$8.14m (U.S.\$1.7m) in 1977, although extraordinary debits reduced the attributable profit to HK\$1.5m.

The company's principal product is denim, for which market demand was said to be "weak" in 1977. In the first half of the current year, the company made a loss of HK\$3.5m and warned that it was unlikely to return to profit this year.

## Bid for Woolworths NZ

BY DAI HAYWARD

WELLINGTON, Nov. 6.

AN OFFER by the New Zealand wholesale merchants and grocers, Nathan to buy out Woolworths NZ is thought likely to be accepted by Woolworths Australia, which owns 40 per cent of the New Zealand operation.

The offer puts a value of NZ\$4.6m (U.S.\$4.8m) on Woolworths New Zealand operations. The cash plus share offer is three Nathan Zealand. In recent years, the investment has not been highly profitable, but this year Woolworths share price rose from NZ\$1.15 to NZ\$1.50 on each 50 cent Woolworths share; these traded last Friday at 80c, and had risen sharply as rumours of the proposed bid circulated.

There are 11m shares involved in the deal. Woolworths Australia owns 4.4m shares in the New Zealand company. It is understood that Woolworths Australia is anxious to sell, and that it believes it can find better use in Australia for the capital now tied up in New Zealand. The investment has not been highly profitable, but this year Woolworths share price rose from NZ\$1.15 to NZ\$1.50 on each 50 cent Woolworths share; these traded last Friday at 80c, and had risen sharply as rumours of the proposed bid circulated.

## UOB raises takeover offer

SINGAPORE, Nov. 6.

UNITED OVERSEAS Bank Hong Leong share plus S\$10.40 (UOB) has raised its offer for cash for every four Singapore Singapore Finance to one UOB Finance. Hong Leong originally share for a cash alternative of Singapore Finance on October 3, S\$3.40 a share, it previously offered three UOB shares for every four Singapore Finance, or it had acquired a 34.7 per cent stake in Singapore Finance.

UOB's increased offer follows while UOB said it had 33.69 per cent of Singapore Finance, at one Reuters

## Ovenstone halves interim dividend

By Richard Reife

JOHANNESBURG, Nov. 6.

THE CAPE-BASED fishing and property group, Ovenstone Investments, whose activities include pelagic fishing boats in South African and Namibian (South West African) waters, has reported a downturn in profits for the six months to August 31 and has halved its interim dividend. But the board, noting that an increasing proportion of income now accrues during the second half of the financial year, has decided to pay a greater proportion of the dividend in the second half.

Thus despite the cut in the interim payment from 2 cents to 1.5 cents, a lesser reduction in last year's 6 cents total seems possible.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

## Downturn for JAL despite higher sales

TOKYO, Nov. 6

AFTER EARLIER substantial increases, Japan Air Lines' after-tax profit dropped to ¥7.29bn (U.S.\$3.78m) for the half year to September 30, compared with ¥7.94bn for the corresponding period in 1977. Sales for the first half improved to ¥240.62bn (U.S.\$128bn) from ¥223.9bn.

JAL announced last month that it was spending ¥100bn on tend wide-bodied jets. The order consisted of five DC-10s, four Boeing 747 passenger jets and one Boeing 747 freighter.

The first half year for Nippon Shuppan, the major Japanese consumer credit concern, saw an improved after-tax profit of ¥1.38bn (U.S.\$74m), compared with ¥1.07bn. Sales were ¥209.06bn (U.S.\$111bn) up from ¥165.7bn for the corresponding period in 1977. The interim dividend of ¥3 remains the same.

The Kao Soap company had increased after-tax profit of ¥1.63bn (U.S.\$86.7m) compared with ¥1.43bn for the corresponding period. Sales also improved with a reported first half total of ¥104.51bn (U.S.\$55.9m) compared with ¥91.05bn, and the company's dividend remained the same at ¥3.75.

The Citizen Watch company experienced a very strong first half improvement with after-tax profits of ¥2.07bn (U.S.\$111m) compared with ¥1.37bn. Sales for the period increased to ¥40.91bn (U.S.\$217.6m) from ¥33.79bn, whereas the company dividend improved to ¥3.75 from ¥3. Reuter

## IHI in the red on operations

BY OUR OWN CORRESPONDENT

TOKYO, Nov. 6.

ISHIKAWAJIMA-HARIMA Heavy shipbuilding division, where sales have dropped to ¥32.5bn from ¥35.5bn, has reported a loss of ¥1.2bn for the half-year to September 30, compared with a profit of ¥1.2bn for the corresponding period in 1977. The order backlog for the first half fell to ¥1.6bn (U.S.\$8.6m) from ¥1.6bn (U.S.\$8.6m) while revenues slipped 5.6 per cent to ¥316.97bn (U.S.\$17.7bn).

On an operating, or pre-tax, basis IHI suffered a loss of ¥1.31bn—compared with a profit of ¥1.31bn a year earlier. Land equipment fell to ¥1.06bn, as domestic capital spending remained sluggish and the appreciation of the yen cut into overseas business. IHI's plant business in

the Middle East has remained one of the only positive factors in the present outlook. In the past half-year, IHI returned a net profit only by dipping into deferred profit on instalment sales to a total of ¥3.82bn. Last year it had stacked away about ¥10.95bn from this source for future use.

The company forecasts that sales in the year ending next March will be up slightly, to ¥770bn from ¥762.5bn last year, but declined to estimate profit performance.

The company is now studying ways of cutting personnel and costs, and other rationalisation steps, in what has been dubbed a drastic realignment of its management.

The loan, managed by the Hongkong and Shanghai Banking Corporation, is repayable over 11 years, and carries the interest rates that were described as "reasonably fine."

The new kiln, which would be built near APMC's existing plant at Rawang, 20 miles north of Kuala Lumpur, will be ready by 1980.

By then, APMC is expected to produce 2m tonnes of cement annually, representing 55 per cent of Malaysia's cement output. Part of the production is expected to be exported.

Construction of the kiln would be undertaken by Ishikawajima-Harima Heavy Industries (IHI), of Japan, and would incorporate "the best and latest in British and Japanese cement technology."

APMC's chairman, Mr. S. F. Wiley, said demand for cement in Malaysia was expected to increase by 10 per cent annually, as a result of strong demand from the construction sector.

UOB's increased offer follows while UOB said it had 33.69 per cent of Singapore Finance, at one Reuters

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

The board does not predict profits for the full year, but says that a reduced contribution from its international investments, based on its factory ship, is expected, while domestic fishing results should be in line with last year's.

Group turnover was down from R21m to R18m (U.S.\$20.7m) for the half-year and pre-tax profit from R25m to R16m. Adjusting for taxation, preference share dividends and the interest of outside shareholders, net attributable profit was down from R14m to R8m (U.S.\$11m), reducing earnings per share from 10 cents to 5 cents.

## Norsk Hydro Produksjon a.s

US \$120,000,000

EURODOLLAR LOAN

GUARANTEED BY

## Norsk Hydro a.s

PROVIDED BY

CITIBANK, N.A.

BANKERS TRUST COMPANY

INTERNATIONAL WESTMINSTER BANK LIMITED

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

BANQUE BRUXELLES LAMBERT S.A.

BAYERISCHE LANDESBANK INTERNATIONAL S.A.

THE INDUSTRIAL BANK OF JAPAN, LIMITED

SOCIETE GENERALE

WELLS FARGO BANK, N.A.

CHRISTIANIA BANK OG KREDITKASSE INTERNATIONAL S.A.

CREDITANSTALT-BANKVEREIN

AMSTERDAM-ROTTERDAM BANK N.V.

THE FIRST NATIONAL BANK OF CHICAGO

MIDLAND BANK LIMITED

TORONTO DOMINION BANK

BARCLAYS BANK INTERNATIONAL LIMITED

CREDIT LYONNAIS

NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A.

SOCIETE GENERALE DE BANQUE S.A.

ANDERSEN BANK A.S.

COPENHAGEN HANDELSBANK INTERNATIONAL S.A.

PKBRANKEN

CITICORP INTERNATIONAL BANK LIMITED

AGENT

CITICORP INTERNATIONAL BANK LIMITED

AGENT

Joshi, Mohita

SEPTEMBER 12, 1978

OCTOBER 24, 1978



(P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bs) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

OTHER MARKETS			
	£		£
Nov 8		Nov 8	
Argentina Pounds	1,604 1,803	912 50	914 50
Argentina Dollars	1,715 1,726 1/2	0,866 1,073 1/2	Bulgaria
Australia Dollars	1,582 1,595	3,990 3,990	Denmark
Brazil Escudos	38,139 39 1/2	56,21 37 1/2	Germany
British Pounds	71,599 72 1/2	76,720 77 1/2	Japan
Hong Kong Dollars	9,435 9,446	20,40 20 7/2	Japan
India Rupees	155 151 1/2	0,272 0,275 1/2	Netherlands
Russell Pounds	0,530 0,540	4,765 4,765	Italy
South African Rand	58 59 1/2	2,190 2,190	France
Swiss Francs	4,355 4,358	2,180 2,180	United States
New Zealand Pounds	1,862 1,862 1/2	0,940 0,945	Spain
South Africa Rand	58 59 1/2	2,190 2,190	Sweden
Singapore Dollars	4,358 4,361 1/2	0,861 0,874	Yugoslavia
South African Rand	1,702 1,725		

Mark shown for Argentine is Argentine P. 1/2 Rate.

EXCHANGE CROSS RATES										
No. 1	Pound sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound sterling	1	1.977	5.768	377.0	8.540	5.263	4.068	1664	2.307	93.00
U.S. Dollar	0.506	1	1.966	190.7	4.320	1.660	2.057	841.6	1.167	29.84
Deutsche Mark	0.265	0.525	1	100.1	2.567	0.866	1.080	431.6	0.612	15.60
Japanese Yen	2.655	5.244	9.993	1000	22.65	8.654	10.79	4415	6.118	156.5
French Franc	1.171	2.215	4.412	441.5	10	3.820	4.763	1942	2.701	69.06
Swiss Franc	0.307	0.606	1.155	115.6	2.618	1	1.247	510.0	0.707	18.08
Dutch Guilder	0.246	0.486	0.926	92.6	2.100	0.802	1	409.0	0.557	14.51
Italian Lira	0.641	1.188	2.264	226.8	5.133	1.961	2.445	1000	1.386	35.46

[illegible][illegible]























[illegible]

### NOTES







INDUSTRIALS-Continued INSURANCE-Continued PROPERTY-Continued INV. TRUSTS-Continued FINANCE, LAND-Continued

Table with multiple columns listing industrial stocks, including company names, prices, and market data.

Table with multiple columns listing insurance stocks, including company names, prices, and market data.

Table with multiple columns listing property stocks, including company names, prices, and market data.

NOMURA The Nomura Securities Co., Ltd. NOMURA EUROPE N. LONDON OFFICE: 100, Cannon Street, London EC4A 3DF. Phone: 0101 606 3411, 6253.

Table with multiple columns listing investment trusts, including company names, prices, and market data.

Table with multiple columns listing finance and land stocks, including company names, prices, and market data.

Table with multiple columns listing finance and land stocks, including company names, prices, and market data.

Table with multiple columns listing mines stocks, including company names, prices, and market data.

Table with multiple columns listing leisure stocks, including company names, prices, and market data.

Table with multiple columns listing oil stocks, including company names, prices, and market data.

Table with multiple columns listing overseas traders, including company names, prices, and market data.

Table with multiple columns listing tin stocks, including company names, prices, and market data.

Table with multiple columns listing copper stocks, including company names, prices, and market data.

Table with multiple columns listing miscellaneous stocks, including company names, prices, and market data.

Table with multiple columns listing gold ex-shipment stocks, including company names, prices, and market data.

Table with multiple columns listing rubber and sisal stocks, including company names, prices, and market data.

Table with multiple columns listing tea stocks, including company names, prices, and market data.

Table with multiple columns listing India and Bangladesh stocks, including company names, prices, and market data.

Table with multiple columns listing Sri Lanka stocks, including company names, prices, and market data.

Table with multiple columns listing Africa stocks, including company names, prices, and market data.

Table with multiple columns listing mines stocks, including company names, prices, and market data.

Table with multiple columns listing central and eastern rand stocks, including company names, prices, and market data.

Table with multiple columns listing eastern rand stocks, including company names, prices, and market data.

Table with multiple columns listing far west rand stocks, including company names, prices, and market data.

Table with multiple columns listing O.F.S. stocks, including company names, prices, and market data.

Table with multiple columns listing finance stocks, including company names, prices, and market data.

Table with multiple columns listing diamond and platinum stocks, including company names, prices, and market data.

Table with multiple columns listing central African stocks, including company names, prices, and market data.



